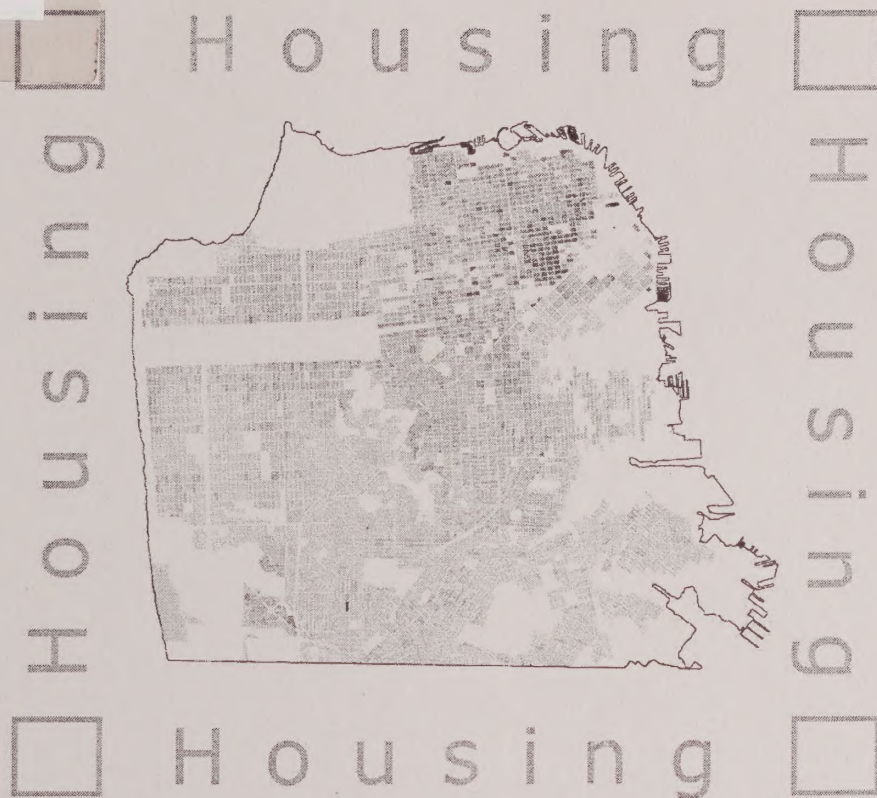


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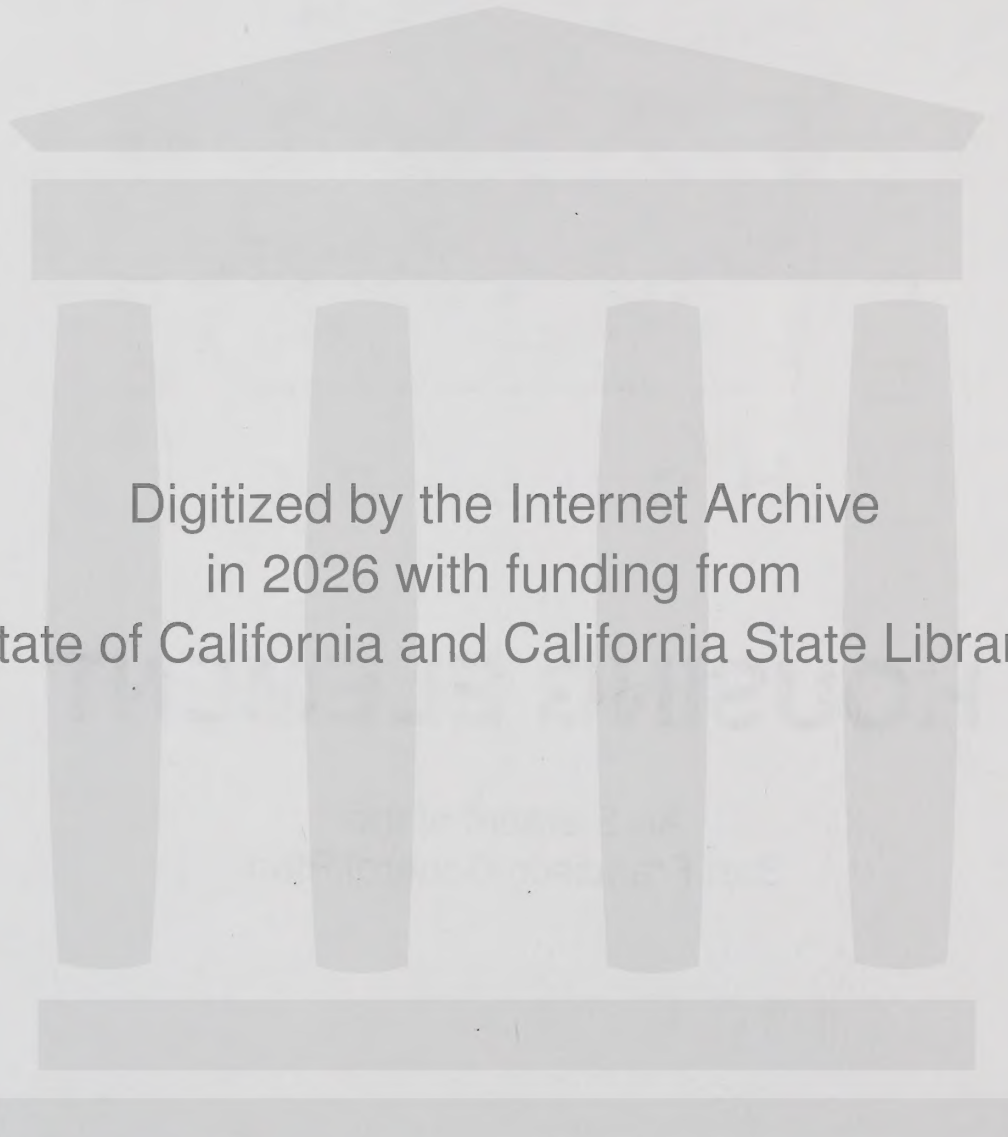
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HOUSING ELEMENT

PREFACE

The *Housing Element* is a major part of San Francisco's *General Plan* that seeks to ensure adequate housing for current and future San Franciscans. Between 1990 and 2000, San Francisco's population grew by almost 52,800 and the City saw about 55,250 new jobs created. In the same period, only 10,800 new housing units were built to accommodate this growth. San Francisco, as a regional destination and a dynamic job center, will continue to attract new households, putting greater pressure on the already tight housing market. San Francisco's share of the regional housing need for 1999 through 2006 has been pegged at 20,370 new units, with almost two-thirds to be affordable. The *Housing Element* details objectives and policies that address a growing housing demand that is further intensified by the City's limited land supply. It also tackles the pressure of economic inequality, seeking to make certain that housing is affordable to a wide range of household incomes.

The *Housing Element* consists of two parts. *Part I* contains the background data and needs analysis, forming the basis for policy formulation. *Part II* lists objectives and policies and describes the programs to be carried out over the next five years to implement these objectives and policies. As San Francisco develops its few remaining major vacant areas, the City will have to actively look at in-fill housing opportunities in its existing neighborhoods. Strategies to realize housing potential in currently underdeveloped sites are discussed in the second part of the *Housing Element*.

Data and Needs Analysis

Part I: Data and Needs Analysis describes and analyzes changes in San Francisco population, households, and housing stock characteristics. It analyzes existing and projected housing needs resulting from job growth and population and household projections. It identifies the needs of

special user groups such as the homeless, physically disabled, elderly, minorities, families with children, and artists, and specifies the housing affordability levels needed by these households. *Part I* also contains an inventory of land suitable for residential development and examines potential constraints to meeting the City's housing needs. It notes that meeting the estimated housing need will require a rate of housing production far greater than what has been achieved in previous years.

Objectives, Policies and Implementing Programs

Part II contains a comprehensive set of housing objectives and policies that are the framework for decision-making, priority setting and program implementation. It continues many existing City housing policies that emphasize affordable housing production, permanent affordability, and the protection of the existing housing stock. New policies strive to expand land capacity necessary to increase housing production, will direct new housing to appropriate locations, especially in areas well served by transit and other urban amenities, and will emphasize design and density controls that enhance existing neighborhood character.

Objectives and policies are general in nature and are followed by related implementation actions. For these implementation actions to succeed, three major prerequisites must be met:

- An adequate supply of land must be identified;
- Regulatory and other impediments must be removed while incentives are identified and provided; and
- Adequate financing must be available for both private and non-profit housing development.

Two *General Plan* priority policies form the basis upon which inconsistencies in this Element and other parts of the *General Plan* are resolved. These are:

- That the City's supply of affordable housing be preserved and enhanced; and
- That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

HOUSING ELEMENT PART I: DATA AND NEEDS ANALYSIS

INTRODUCTION

The *Data and Needs Analysis* is the first of two sections of San Francisco's revised *Housing Element*. The information presented here is the basis for the following section of the Element – objectives and policies that seek to address housing needs identified by this effort.

This section contains a description and analysis of San Francisco's population and employment trends; existing housing characteristics; overall housing need, including special needs groups; and capacity for new housing based on land supply and site opportunities.

Information is presented on trends since the 1990 Residence Element was published and on expected developments of the next five years, at which time the Housing Element will be updated. Primary data sources include the 2000 Census for existing conditions, projections published by the Association of Bay Area Governments (ABAG), and extensive independent analysis by the Planning Department. The data used are the most reliable available for assessing existing conditions. Furthermore, such standard sources provide a basis for consistent comparison with older data and form the basis for the best possible forecasts. The data provide a general picture of economic trends and therefore do not necessarily reflect the specific effects of the recession underway or particular trends or cycles in the housing market and the wider economy. Historically, however, San Francisco's housing market and economy have been strong, suggesting that current conditions may be temporary.

I. POPULATION AND EMPLOYMENT TRENDS

Housing needs in San Francisco are affected primarily by population and employment trends. The 1990s was a period of growth for San Francisco. In 2000, the Census counted 776,733 San Franciscans and there were 634,430 jobs in the City according to the Association of Bay Area Governments (ABAG). Over the ten-year period, population grew 7.3% (52,774 new people) and employment 8.6% (49,680 new jobs). Much of this job growth occurred in the later part of the decade, as the City's economy dramatically recovered from the recession of the early 1990s that saw over 30,000 jobs lost.

San Francisco's tight housing market notwithstanding, and as many more unrelated San Franciscans shared accommodations, the 2000 Census revealed no change in the average household size. The median age of San Francisco residents has also risen since 1990, as the "baby-boom" generation ages.

San Francisco continues to be a culturally and racially diverse place. Although the 1990 Census revealed that all "minority" ethnic groups combined represented a majority of the city's population, the 2000 Census marks the first time in modern history that no single racial group constitutes a majority of the population. Although a robust economy has generated considerable wealth and opportunity for many in the San Francisco Bay Area, many city residents have not shared these economic gains, and over 26% of San Francisco households still earn less than 50% of the region's median income.

A. POPULATION

1. Population Change

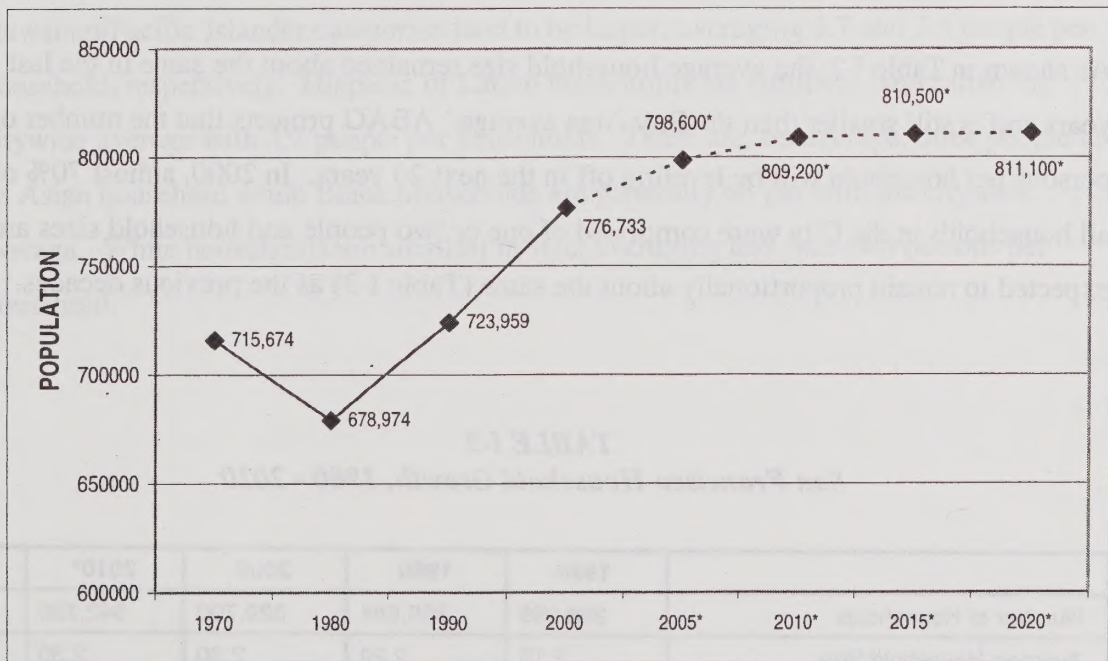
After decades of decline, the City's population began growing again by the 1980s (Table I-1). San Francisco's growth rate was higher from 1990-2000 (7.3%) than it was from 1980-1990 (6.6%), but is expected to taper considerably by 2010. ABAG projects

growth that would bring San Francisco's population to 798,600 by 2005 and to 809,200 by 2010, an overall increase of almost 32,500 persons who will need to be housed over the next ten years (Graph I-1).

TABLE I-1
San Francisco Population Trends, 1980 - 2000

	1980	1990	2000	% Change	
				1980-1990	1990-2000
Total Population	678,974	723,959	776,733	6.6%	7.3%
Household Population	654,511	699,330	756,976	6.8%	8.2%
Household Growth	298,956	305,584	329,700	2.2%	7.9%
Source: U.S. Census Bureau					

GRAPH I-1
San Francisco Population Trends and Projections, 1970 - 2020



Sources: U.S. Census Bureau; * Association of Bay Area Governments, ABAG Projections 2002

2. Household Characteristics

According to the 2000 Census, the number of San Francisco households grew from 305,584 in 1990 to 329,700, an increase of 24,116 new households or about 7.9% growth (Table I-2). The U.S. Bureau of the Census defines a household as all persons occupying a housing unit including single persons, single families, two or more families living together, or any other group of related or unrelated persons.” Furthermore, the Census categorizes households as either family or non-family. The Census definition of a family is that the householder (the person or persons who hold the lease or who pays the mortgage) is related by birth, marriage, or adoption to someone else in the housing unit. For instance, unmarried heterosexual or lesbian couples are not families according to the Census but any couple with adopted children would be identified as such. According to ABAG projections, the number of total households will continue to increase, growing to 342,730 in 2010 or about 1,303 new households annually.

As shown in Table I-2, the average household size remained about the same in the last 10 years and is still smaller than the Bay Area average. ABAG projects that the number of persons per household will be leveling off in the next 20 years. In 2000, almost 70% of all households in the City were comprised of one or two people and household sizes are expected to remain proportionally about the same (Table I-3) as the previous decades.

TABLE I-2
San Francisco Household Growth, 1980 - 2020

	1980	1990	2000	2010*	2020*
Number of Households	298,956	305,584	329,700	342,730	347,180
Average Household Size	2.19	2.29	2.30	2.30	2.27
Average Household Size (Bay Area)	2.57	2.61	2.69	2.73	2.72

Sources: U.S. Census Bureau; *ABAG Projections 2002

TABLE I-3
Changes in Household Size, 1970 - 2000

Household Size	1970		1980		1990		2000	
	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total
1	110,333	37.4%	123,915	41.4%	120,047	39.2%	127,380	38.6%
2	90,753	30.7%	90,681	30.3%	91,894	30.0%	101,781	30.9%
3	38,024	12.9%	36,554	12.2%	38,158	12.5%	41,831	12.7%
4	25,348	8.6%	23,321	7.8%	26,532	8.7%	28,563	8.7%
5	14,668	5.0%	12,335	4.1%	14,504	4.7%	14,293	4.3%
6+	16,048	5.4%	12,150	4.1%	14,849	4.9%	16,002	4.9%
TOTAL	295,174	100.0%	298,956	100.0%	305,984	100.0%	329,850	100.0%

Source: U.S. Census Bureau

There are variations in average household size according to household ethnicity. Table I-4, below, shows that households falling under the “Other Race” and the Native Hawaiian/Pacific Islander categories tend to be larger, averaging 3.7 and 3.5 people per household, respectively. Hispanic or Latino households are similarly larger than the citywide average with 3.2 people per households. There are, on average, three people in an Asian household while Black households are generally on par with the citywide average. White households are smallest in size, averaging less than two persons per household.

TABLE I-4
Household Size by Ethnicity

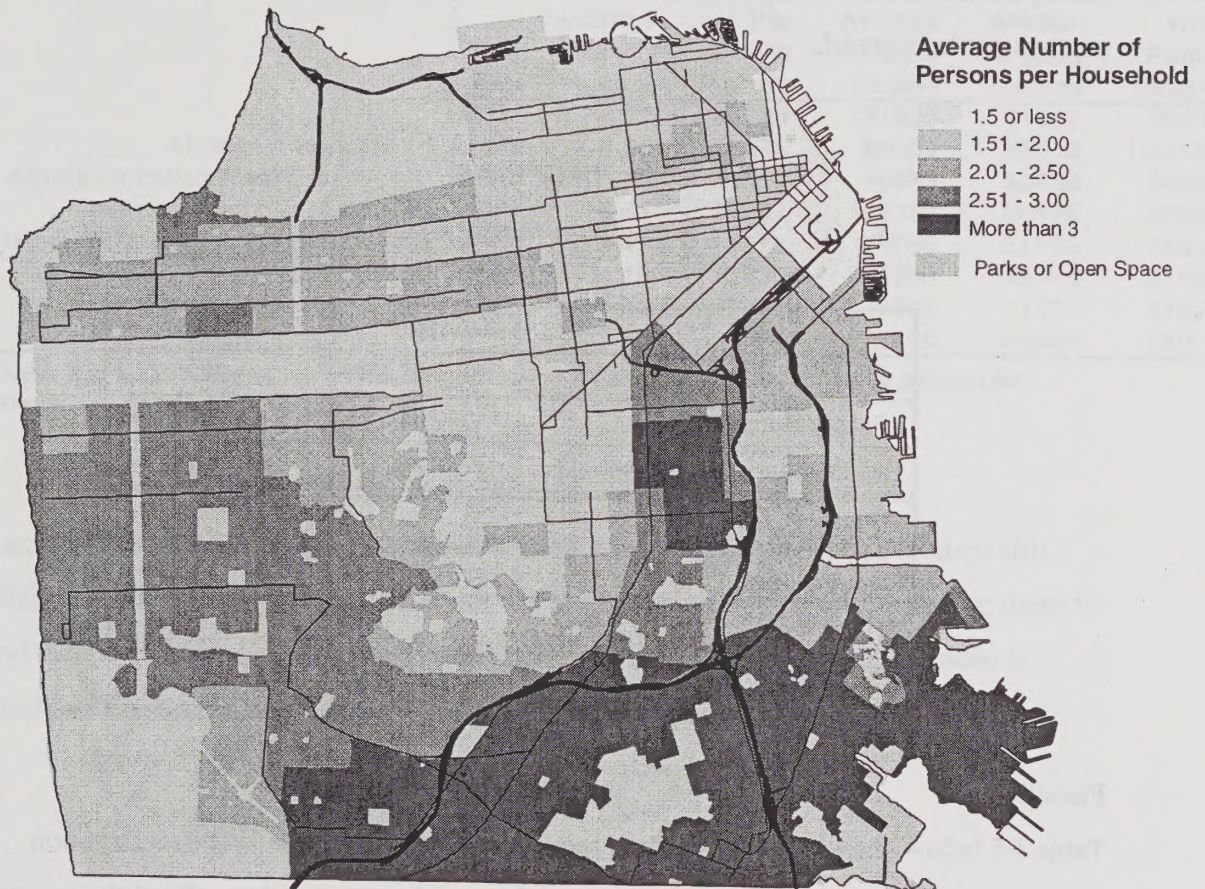
Household	Average Household Size	No. of Households
White	1.92	199,980
Black	2.31	23,860
American Indian/Alaska Native	2.39	1,303
Asian	2.99	79,058
Native Hawaiian/Pacific Islander	3.53	905
Other Race	3.69	12,803
Two or More Race	2.45	11,791
Hispanic / Latino	3.23	31,509
All Households	2.30	329,700

Source: U.S. Census Bureau

Household size generally correlates with income, but geographically it also reflects existing neighborhood housing stock. Larger households of four or more are generally found in the southeastern neighborhoods of the Mission, Bayview, Visitacion Valley, and the Excelsior. Smaller households are found in the western neighborhoods. The central and northeastern portions of the city generally have households of two or less, with the residential population tapering off near the commercial and industrial areas of the Financial District and South of Market Street (Map I-1).

MAP I-1

Average Household Size Distribution in San Francisco



For better map readability, please see document on-line at
http://www.sfgov.org/planning/citywide/c1_housing_element.htm

San Francisco continues to have a comparatively small number of family households. According to the 2000 Census, family households comprised 44% of the total household population. This is considerably less than the Bay Area region average of almost 65% family households. Family households in San Francisco tend to be larger, averaging 3.22 persons per household.

TABLE I-5
Family and Non-family Households

	1990	2000
All Households	305,584	329,700
Family Households	141,790	145,186
As Percent of All Households	46.4%	44.0%
Bay Area Family Households as Percentage of All Households	65.50%	64.7%

Source: U.S. Census Bureau, ABAG

Families

Table I-6 below shows that the median family income is higher than the median non-family income. However, a family's median income is not enough to afford the average rent, \$2,050, for a 2-bedroom home. Moreover, the average family size is 3.22 and the average household size is 2.3. Thus, while family income is somewhat higher than that of non-families, it has to be spread among more people. This information demonstrates both the need for larger units affordable to families in San Francisco and the on-going need for affordable housing for the population in general.

TABLE I-6***Family Incomes by Ethnicity***

	Total Families	Average Family Size	Per Capita Income	Estimated Average Family Income	Median Family Income	Median Non- Family Income
White	66211	2.72	48393	131629	81891	52715
African American	12449	3.16	19275	60909	35943	21103
American Indian/Alaska Native	514	3.39	22588	76573	35000	24922
Asian	51667	3.67	22357	82050	56679	30365
Native Hawaiian/Pacific Islander	644	4.47	12476	55768	31985	38333
Other Race	8639	4.19	15730	65909	46683	31801
Two or More Races	5062	3.33	22091	73563	51571	41677
Hispanic or Latino	18890	3.88	18584	72106	46809	35911

¹ People who identify themselves as Hispanic or Latino may also identify themselves as a particular ethnicity.

Most families with a single parent are in households headed by women. Women still suffer from the income gaps between men and women in the job market, forcing them to survive with less income than their male counterparts. This exacerbates the need for affordable housing in order to avoid an increase in homeless families.

B. EMPLOYMENT

1. Jobs

Employment growth in San Francisco directly affects the demand for housing. As shown in Table I-7, total employment in San Francisco has been growing steadily since 1970.

TABLE I-7
San Francisco Employment Trends and Projections, 1970-2020

Year	Number of Jobs	% Change
1970	494,129	
1980	552,200	11.8%
1990	579,180	4.9%
2000	634,430	9.5%
2010*	690,420	8.8%
2020*	745,600	8.0%

Source: U.S. Census Bureau

* ABAG Projections 2002

From 1990-2000, San Francisco experienced an overall job growth rate of 9.5%, an increase of over 55,000 jobs in 10 years. The City's population grew by 52,700 people in the same time period or almost a corresponding 1:1 growth ratio of people to jobs. Most of this job growth occurred in the latter part of the decade, as San Francisco recovered dramatically from a significant economic recession in the early 1990s that resulted in a loss of almost 30,000 jobs. The current employment forecasts from ABAG project a growth of almost 56,000 new jobs between 2000 and 2010 (about 8.8% growth) and an additional 55,180 new jobs by the year 2020 (8.0% increase).

As shown in Table I-8, much of the employment growth from 1990 to 2000 occurred in the service sector (52,000 new jobs). The construction industry also grew rapidly during this period (6,000 jobs).

TABLE I-8
Employment Growth by Industrial Sectors, 1990 – 2000

Industry	1990	1995	2000	% Change	
				1990-1995	1995-2000
Agriculture	2,300	2,220	700	-3.5%	-68.5%
Construction	16,350	15,810	22,420	-3.3%	41.8%
Manufacturing	39,790	40,440	30,540	1.6%	-24.5%
High Technology*	9,950	n/a	6,410	-35.6%	
Transportation	40,290	39,840	41,690	-1.1%	4.6%
Wholesale	30,560	24,020	23,450	-21.4%	-2.4%
Retail	80,120	75,860	94,450	-5.3%	24.5%
FIRE	75,400	71,350	74,480	-5.4%	4.4%
Services	229,470	231,190	281,510	0.7%	21.8%
Business Services*	68,200	na	83,660	22.7%	
Government	64,900	58,570	65,190	-9.8%	11.3%
TOTAL	579,180	559,300	634,430	-3.4%	13.4%

Source: ABAG Projections 2002

*High Technology is calculated under Manufacturing & Business Services in Services

The ABAG projections are the official projections of growth for the Bay Area. They are used by numerous local governing agencies to project needs and problems. The California State Housing and Community Development Department requires these figures be used for determining housing needs for the state.

The Association of Bay Area Governments (ABAG) projects the number of jobs for each county in the Bay Area for a 15-20 year time frame. The purpose of the projections is to identify potential regional needs and problems. The assumptions that ABAG used in 2002 are based on demographic and economic data. The demographic assumptions include fertility, births, deaths, migration, household sizes, and labor force participation rates. Economic assumptions include exports, the rate of GDP growth energy prices,

productivity and interest rates. Table I-9 below provides ABAG's projections for 2020, and Table I-10 is a comparison of ABAG projections for 1990 and 2000.

TABLE I-9
Employment Trends and Projections by Industry, 1990 - 2020

Industry	1990	2000	2010	2020	1990 - 2000		2000 - 2010		2000 - 2020	
					Change	% Change	Change	% Change	Change	% Change
Agriculture	2,300	700	700	700	(1,600)	-69.57%	-	0.00%	-	0.00%
Construction	16,350	22,420	24,080	26,150	6,070	37.13%	1,660	7.40%	3,730	16.64%
Manufacturing	39,790	30,540	32,990	35,710	(9,250)	-23.25%	2,450	8.02%	5,170	16.93%
Transportation	40,290	41,690	44,790	48,650	1,400	3.47%	3,100	7.44%	6,960	16.69%
Wholesale	30,560	23,450	25,340	27,430	(7,110)	-23.27%	1,890	8.06%	3,980	16.97%
Retail	80,120	94,450	102,620	110,730	14,330	17.89%	8,170	8.65%	16,280	17.24%
F I R E	75,400	74,480	80,010	86,900	(920)	-1.22%	5,530	7.42%	12,420	16.68%
Services	229,470	281,510	309,870	333,270	52,040	22.68%	28,360	10.07%	51,760	18.39%
Government	64,900	65,190	70,020	76,060	290	0.45%	4,830	7.41%	10,870	16.67%
TOTAL	579,180	634,430	690,420	745,600	55,250	9.54%	55,990	8.83%	111,170	17.52%

Source: ABAG Projections 2002

TABLE I-10
ABAG Projections in 1990 for Jobs in 2000

Industry	1990 Projections for 2000	Actual Jobs in 2000
Agriculture, Mining	1,470	700
Construction	29,400	22,420
Manufacturing	45,510	30,540
High Technology	7,250	6,410
Transportation, Comm. Utilities	56,990	41,690
Wholesale Trade	17,900	23,450
Retail Trade	95,140	94,450
F.I.R.E.	93,090	74,480
Services	246,420	281,510
Business Services	105,500	83,660
Government	56,890	64,900
Total Jobs	642,810	634,430

Job growth in the service and retail sectors is expected to be strongest. By 2010, service sector jobs will increase by approximately 28,000 and in the retail sector by 8,200 (Table I-9). Change in the manufacturing and wholesale sectors will not be significant. Over the next 20 years, almost 111,200 new jobs will be created in San Francisco, more than any other city in the region. However, much of the growth in the service sector will be in low- to medium-skilled jobs such as cashiers, cooks, and general managers, with pay scales ranging from \$15,000 to \$70,000 a year (Table I-11). Some of this growth will be absorbed by San Francisco residents through the First Source Hiring Program.¹ However, this is a limited program since it only applies to city contracts and commercial development that is over 25,000 square feet.²

TABLE I-11

Wage by Sector, 2001

Sector	Average Annual Wage	Annual Average Number of Jobs, 2001
Office	\$89,458	236,969
Retail	\$27,574	101,505
Industrial	\$57,735	107,837
Hotel	\$30,063	17,962
Cultural/Institutional	\$41,686	122,222
<i>Source: City and County of San Francisco Planning Department and California Employment Development Division</i>		

The housing needs of San Francisco are based on providing housing to support the entire workforce of the City, which includes both San Francisco residents and commuters.

¹ Chapter 83 of the Administrative Code of San Francisco is the First Source Hiring Program. The purpose of this program is to foster construction and permanent employment opportunities for qualified economically disadvantaged individuals. Participation in this program shall be required in City contracts and City property contracts.

² To date, the First Source Hiring Program has employed at least 229 people permanently and 332 people through construction jobs. These numbers represent minimums, because not all hires are recorded.

While San Francisco serves as a regional center for employment, it also has a duty to house its workforce to the greatest extent possible. The average income for the San Francisco workforce demonstrates the lack of housing affordable to many San Francisco workers, both residents and commuters. Table I-12 below shows the average wage by sector and total jobs in each sector. The office sector was by far the largest employer with 236,969 jobs. The retail and industrial sector had 101,505 and 107,837 jobs respectively. The cultural/institutional sector also had a large number of jobs with 122,222 employees in 2001. With an average rent of \$2057 for a two-bedroom apartment in 2003, an employee must make \$98,400 to afford such a unit. Not even the average office worker was able to afford this rent.

Because each sector in Table I-11 contains a variety of occupations, it is useful to call out the fastest growing categories of jobs in San Francisco, as shown in Table I-12. None of these employees makes the \$98,400 required to be able to afford the rent of an average two-bedroom apartment in San Francisco.

TABLE I-12
Fastest Growing Jobs and Current Mean Wages

Job Classification	Mean Hourly Wage	Mean Annual Wage, 2003	Job Growth 1999-2006	Total Jobs 2006
Waiters & Waitresses	\$ 7.31	\$ 15,000.00	550	11,670
Food Preparation Work	\$ 8.41	\$ 17,490.00	300	7,170
Janitors & Cleaners	\$ 9.38	\$ 19,520.00	830	11,030
Guards & Watch Guards	\$ 9.62	\$ 20,010.00	670	6,460
Cashiers	\$ 9.63	\$ 20,030.00	1,240	10,540
Sales Person, Retail	\$ 9.79	\$ 20,360.00	3,020	19,940
Cooks	\$ 10.41	\$ 21,640.00	410	5,610
General Office Clerks	\$ 11.77	\$ 24,474.00	220	18,560
Receptionists and Information Clerks	\$ 12.46	\$ 25,930.00	610	8,430
Painters, Construction & Maintenance	\$ 16.57	\$ 34,460.00	190	1,930
Carpenters	\$ 20.86	\$ 43,390.00	230	3,420
Registered Nurses	\$ 21.99	\$ 45,732.00	410	7,370
Electricians	\$ 23.79	\$ 49,490.00	180	2,180
Systems Analysts, Electronic Data Processing	\$ 29.74	\$ 61,000.00	1,640	5,760
General Managers & Top Executives	\$ 40.51	\$ 75,000.00	1,000	20,110

Source: EDD, Occupational Employment Statistics Survey

San Francisco has not produced a large number of family-sized units for a number of decades. This is explained in part by the lower profit margins associated with constructing family housing units. But it is also a response to demand, which is in turn affected by a number of factors. First, the cost of family-sized housing is prohibitive to many families who currently live in smaller units. Second, quality of life issues, perceived or real, affect families' decisions to live in the city: the quality of the school system, the general cost of living, access to open space, sense of security, the environment. This can encourage existing families to leave the city and discourage families living elsewhere from moving into the city. Thus, to house the work force requires not just building housing appropriate to a certain demographic but creating a place that, overall, is inviting to them; creating livable neighborhoods, more than just constructing units, is essential. Furthermore, in San Francisco, the right kind of unit must

be encouraged. For families, this does not mean single family homes; rather, given land availability, three and four bedroom units in multi-unit buildings would be appropriate.

2. Employed Residents and Commuters

During the recession between 1990 and 1995, the number of employed residents in San Francisco suffered a decline, as indicated in Table I-13, below. However, that trend was dramatically reversed in the latter part of the decade with an increase of 65,051 employed residents from 1995-2000. ABAG's *Projections 2002* indicate this trend will continue over the next 10 years with 22,850 additional employed residents.

TABLE I-13
Employed Residents Trend, 1990 - 2025

Year	Employed Residents	No. of Change	% Change
1990	391,292	11,492	-2.9%
1995	379,800		
2000	444,851	65,051	17.1%
2005	455,600	10,749	2.4%
2010	467,700	12,100	2.7%
2015	468,500	800	0.2%
2020	471,300	2,800	0.6%
2025	473,700	2,400	0.5%

Source : ABAG *Projections 2002*

The number of workers per household continued to increase from 1990 to 2000 (Table I-14). In part this reflects the increase in housing costs during this period. This trend is expected to peak at 1.4 workers per household by 2010, and level off thereafter.

TABLE I-14***Average Number of Workers per Household Trends and Projections, 1990-2025***

	1990	2000	2005	2010	2015	2020	2025
San Francisco	1.28	1.35	1.35	1.40	1.34	1.36	1.36
Bay Area Region	1.40	1.50	1.50	1.51	1.52	1.54	1.56

Source: ABAG Projections 2002

Commuters into San Francisco hold 47% of the jobs in the City. Over half of these workers commute into the City via the Bay Bridge corridor. The number of San Francisco jobs held by commuters and the estimated growth in commuting workers into the City through 2020 is shown on Table I-15 below. Between 1990 and 2000, commuters obtained 60% of new jobs in the City. For the next ten years, the regional transportation goal is to reduce commuting and it assumes that a smaller share of new jobs created in San Francisco will be taken by non-San Francisco residents.

ABAG projects job growth and then allocates housing based on this job growth. As a regional job center with limited land, San Francisco will continue to have a larger share of commuters than other cities in the Bay Area. Table 1-15 shows that commuters will take up a smaller share of the new jobs in San Francisco. This figure does not pertain to the distribution of jobs throughout the area. The figure is actually related to the regional transportation goal, not the job forecast. Rather, it indicates that of the jobs created in San Francisco, more of those jobs will be taken by San Francisco residents than has occurred in the past.

TABLE I-15
Growth in Workers Commuting into San Francisco, 1990-2010

	1990	2000	2010
Commuters	250,909	280,863	313,239
San Francisco Residents	328,271	347,997	374,111
Total Jobs	579,180	628,860	687,350
% of Commuters	43.3%	44.7%	45.6%
Increase		49,680	58,490
Change in Commuters		29,954	32,376
<u>Regional Goal of % Change of Commuters</u>		60.3%	55.4%

Source: Metropolitan Transportation Commission

3. *Employed Residents, Household Workers and Income*

Generally, the overall number of employed persons in a city is probably not correlated with income. Rather, income levels relate more directly to general economic characteristics of an area, fluctuations in wages earned, inflation, and most directly job mix. However, data suggest that some family incomes may rise as a result of increased employment. It is reasonable to expect that as employment increases, families would benefit from increased employment, thus increasing family income. This is evidenced in the increase in the median family income presented in the table below. Similarly, between 1990 and 2000, the number of families with no workers decreased from 14.9% to 12.8 %, possibly benefiting families. Additionally, the table below shows that the number of families with 2 workers increased by about 5%, implying that those families

earned more (one cannot be sure because, for instance, a family may have lost one job and replaced it with two lower-paying positions).

Median incomes for non-family households increased at a faster rate than median family incomes, suggesting that families have and are now facing more challenges than non-family segments of the population.

TABLE I-16
Income

	1990 (1989 Dollars)	2000 (1999 Dollars)	2000 in 1989 Dollars
Median Household Income	33,414	55,221	41,101
Median Family Income	40,561	63,545	47,296
Median Non-Family Household Income	27,093	46,457	34,577
Per Capita Income	19,695	34,556	25,719

Source: Census Bureau, 1990 and 2000

TABLE I-17

Number of Workers in Family

Workers	1990	2000
0	21,147	18,798
1	38,150	38,729
2	62,099	66,231
3+	22,422	23,428

Source: Census Bureau, 1990 and 2000

C. Demographics

1. Age

Similar to nationwide trends, San Francisco's population is getting older as the baby boom generation ages. From 1990 to 2000, the 45–54 age group grew by 32,853 persons, or approximately 44%, the highest growth rate of any group in the population (Table I-18 and Graph I-2). This group is also expected to increase by approximately 51,000 by the year 2010. Similarly, the 55–59 age group is expected to grow by 58% from 2000 to 2010. Individuals between the ages of 20–34 are expected to decrease roughly 102,000 between 2000 and 2010. The number of children under 10 years of age is projected to increase by approximately 8,800 over the next ten years.

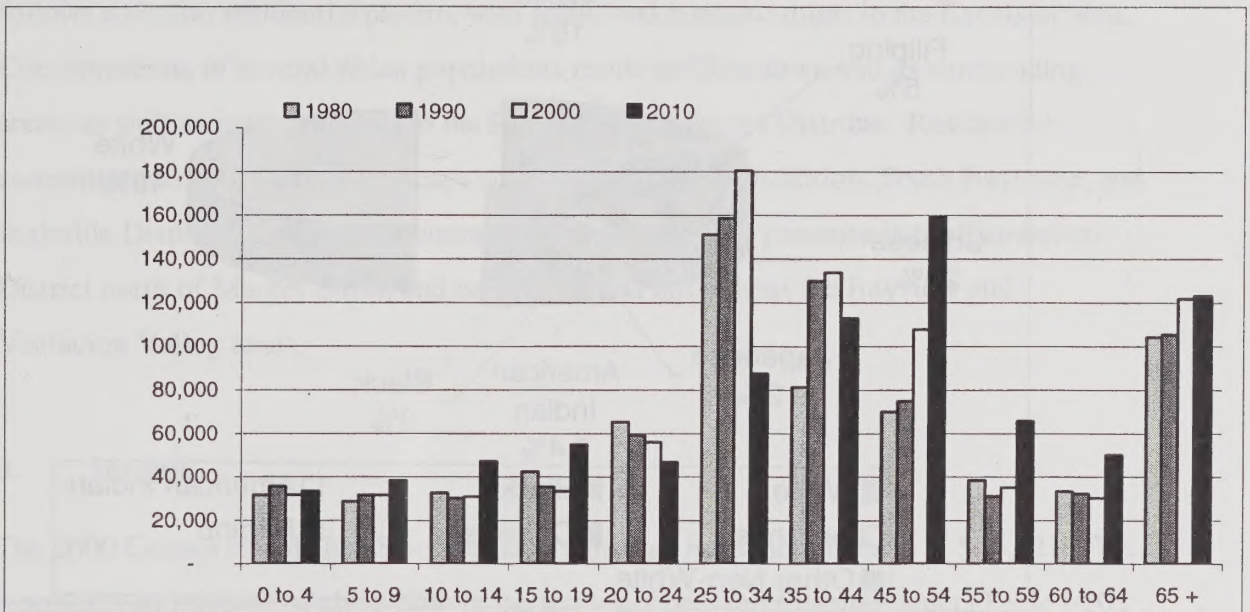
TABLE I-18
Change in Size of Various Age Groups, 1980-2010

Age Group	1980	1990	2000	2010
0 to 4	31,537	35,599	31,633	33,600
5 to 9	28,596	31,562	31,564	38,400
10 to 14	32,674	30,140	30,813	47,000
15 to 19	42,374	35,362	33,334	54,800
20 to 24	65,242	59,103	56,054	46,800
25 to 34	151,222	158,534	180,418	87,300
35 to 44	81,143	129,853	133,804	112,800
45 to 54	70,025	74,865	107,718	159,100
55 to 59	38,480	31,193	35,026	65,800
60 to 64	33,396	32,368	30,258	50,200
65 +	104,285	105,380	121,800	123,000
Total	678,974	723,959	792,422	818,800
Median Age	33.6	35.3	36.5	43.6

Source: U.S. Census Bureau, ABAG Projections 2000

GRAPH I-2

San Francisco Population by Age Groups, 1980–2010

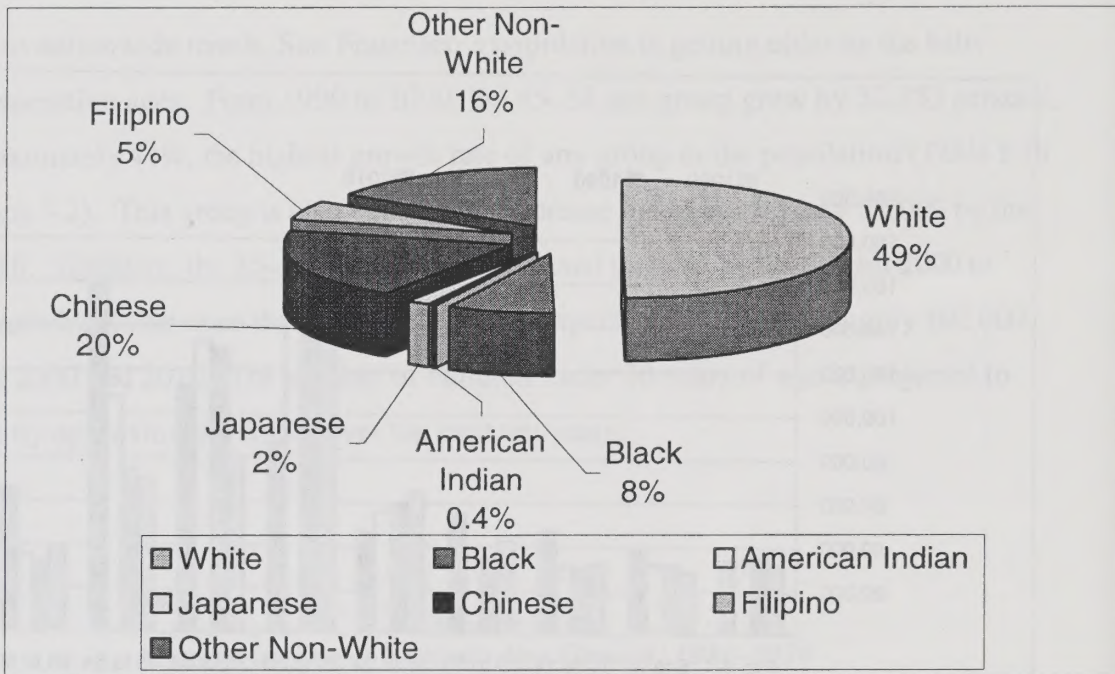


Source: U.S. Census, ABAG Projections 2000

2. Ethnic Composition

The ethnic composition of San Francisco's population continues to become more diverse (Graph I-3). People claiming non-white racial affiliation in the 2000 Census comprise over 50% of the City's population, up from 46% 10 years before. The number of San Franciscans identifying with Hispanic origins (of any race) has risen 30% in the last 20 years, while the number of Asian, Hawaiian, and Pacific Island residents has increased over 45% since the 1980 Census. The proportion of both Whites and African Americans fell since 1990 (Table I-19).

GRAPH I-3
2000 Racial Composition



Source: U.S. Census Bureau

TABLE I-19
Change in Population Ethnicity, 1980 - 2000

	1980		1990		2000	
	Number	Percent	Number	Percent	Number	Percent
White	402,131	59.2%	388,341	53.6%	385,728	49.7%
Black	86,190	12.7%	78,931	10.9%	60,515	7.8%
American Indian	3,566	0.5%	3,354	0.5%	3,458	0.40%
Japanese	12,461	1.8%	11,591	1.6%	11,410	1.50%
Chinese	82,244	12.1%	130,753	18.1%	152,620	19.60%
Filipino	38,690	5.7%	40,977	5.7%	40,083	5.20%
Other Non-White	53,692	7.9%	70,012	9.7%	776,733	15.8%
Total	678,974	100.0%	723,959	100.0%	776,733	100.0%
Hispanic Origin	84,194	12.4%	96,640	13.3%	109,504	14%

Source: U.S. Census

Geographically, concentrations of major ethnic groups occur in a number of districts. Many Latino households occupy housing along the Inner and Outer Mission districts, extending along Mission Street south to Daly City. A distinct Filipino community follows a similar residential pattern, with additional concentrations in the Excelsior area. Concentrations of several Asian populations reside in Chinatown and its surrounding areas, as well as neighborhoods in the Richmond and Sunset Districts. Residential concentrations of African Americans occur in the Western Addition, South Bayshore, and Ingleside Districts. Vietnamese communities have a strong presence in the Tenderloin District north of Market Street, and neighborhoods throughout the Bayview and Visitacion Valley areas.

3. Income

The 2000 Census established San Francisco's median household income at \$55,221. This represents an increase of about 65% in the ten years between Census counts (Table I-20). The Census also found differences among the City's households. Median household income for family households, for instance, is about 15% more. Homeowners' households' median income is equivalent to 142% of the City's median income, while that of renting households is 82.5% . (Table I-21)

TABLE I-20

Change in San Francisco Household and Family Income, 1980-2000

	1980	1990	2000
Median Household Income	\$15,867	\$33,414	\$55,221
Median Family Household Income	\$20,511	\$38,443	\$63,545

Source: U.S. Census Bureau

The disparity is even more significant when households' median incomes are compared by ethnicity. Table I-21 shows that African American households' median income of \$29,640 is 54% of the City's median income, while White households' median income is \$63,227 or 115% of the City's median income. Asian households have a median income that is 90.4% of the City's overall median income, followed by Two or More Race and Other Race households whose median incomes are 89.3% and 86.8% of San Francisco's median income respectively. Median income of Hispanic or Latino households was pegged at \$46,883 or about 85.4% of the citywide median.

TABLE I-21
Median Household Income by Household Type, Tenure and Ethnicity

	Median Income	as % of SF Median Household Income
Household Type		
Family Household	\$ 63,545	115.1%
Non-Family Household	\$ 46,457	84.1%
Tenure		
Owner Occupied Households Median Income	\$ 77,917	141.1%
Renter Occupied Households Median Income	\$ 45,275	82.0%
Ethnicity		
White	\$ 63,227	114.5%
African American	29,640	53.7%
American Indian/Alaska Native	30,994	56.1%
Asian	49,596	89.8%
Native Hawaiian/Pacific Islander	33,750	61.1%
Other Race	47,651	86.3%
Two or More Race	49,040	88.8%
Hispanic or Latino	46,883	84.9%

Source: U.S. Census Bureau

As noted earlier, ethnic households tend to be larger than the City's overall average household size (Table I-4). Thus a look at per capita income provides a starker reality of income disparity (see Table I-22). The 2000 Census shows that per capita income of San Franciscan of Native Hawaiian or Pacific Islander heritage is equivalent to only 36.1% of the City's overall, but for white San Franciscans, it is 140%. And while Asian households earn on average about 90.4% of the City's median income, per capita income of San Franciscans of Asian decent is \$22,357 or 64.7%.

TABLE I-22

Per Capita Income, by Ethnicity

HOUSEHOLD	per Capita Income	as % of San Francisco per Capita Income (\$34,556)
White	\$ 48,393	140.0%
African American	19,275	55.8%
American Indian/Alaska Native	22,588	65.4%
Asian	22,357	64.7%
Native Hawaiian/Pacific Islander	12,476	36.1%
Other Race	15,730	45.5%
Two or More Race	22,091	63.9%
Hispanic or Latino	18,584	53.8%

Source: U.S. Census Bureau

The Department of Housing and Urban Development annually determines the area median income (AMI) for the San Francisco Primary Metropolitan Area, which includes the counties of San Francisco, Marin and San Mateo. This represents all household incomes for this larger area and is broken down by number of persons per household. For 2001, the area median income for a single person household was over \$56,000.

TABLE I-23

Household Income Standards by Household Size, 2001

Income Categories as percentage of Area Median Income (AMI)	Number of persons				
	1	2	3	4	5
Very low (50% of AMI)	\$29,750	\$34,000	\$38,250	\$42,500	\$45,900
Low (80% of AMI)	\$47,600	\$54,400	\$61,200	\$68,000	\$73,450
Median (100% of AMI)	\$56,050	\$64,100	\$72,100	\$80,100	\$86,500
Moderate (120% of AMI)	\$67,250	\$76,900	\$86,500	\$96,100	\$103,800
<i>Source: HUD</i>					

Despite this very high median income by national standards, San Francisco households' incomes are lower than the area median income. This is due in part to higher median incomes in San Mateo and Marin Counties, and the concentrations of lower-income families in the City. Marin County's median household income of \$ 71,300 and San Mateo's \$70,800 are quite higher than the City's median household income. Roughly 40% of all San Francisco households make less than 80% of the San Francisco PMSA area median income, and fall under the Department of Housing and Urban Development (HUD)'s low and very low income categories (Table I-24).

TABLE I-24
Income Distribution

	Income Distribution			
	<u>Very Low</u> (<50% of median)	<u>Low</u> (50-80% of median)	<u>Moderate</u> (80-120% of median)	<u>Above Moderate</u> (>120% of median)
All SF Households	26.3%	14.1%	15.7%	43.9%
Median Income for SF, 2001	\$54,700			
Source: estimates from ACS, 1999				

II. HOUSING CHARACTERISTICS

This section provides background information on the physical and qualitative characteristics of San Francisco's housing stock. The City's housing stock is older than other West Coast cities, with over 50% of the City's housing units constructed before World War II. Totaling about 340,000 units, the City's housing stock is roughly divided into low-, medium-, and higher-density structures. San Francisco's housing tends to be smaller in size, with 75 % of all units containing two bedrooms or less. San Francisco continues to be a city of renters who occupy 65% of housing units in the City.

Over 10,000 new housing units were completed in San Francisco since 1991, 75% in structures with ten or more units. This is down from the previous ten-year figure of almost 15,000 units between 1981 and 1990. Since 1990, 25% of all new housing was constructed in industrial areas in the South of Market district. Most of these were live/work units, which represent almost 21% of all new housing from 1991-2000. It is difficult to produce an accurate estimate on the number of live/work units used as a primary residence, as they are classified as commercial uses by the Planning Code.

Housing affordability continues to be a major concern to city households, as San Francisco has one of the least affordable housing markets in the nation. Although roughly 30% of new housing built since 1990 qualified as affordable, almost 80% of San Francisco households still could not afford the average monthly rent for a market rate two-bedroom apartment in 1999.

For affordable units made available by other than new construction since 1990, the Mayor's Office of Housing estimates that over 9,000 affordable units were acquired or rehabilitated, with almost 1,900 more units underway or being planned. (Table I-25) These numbers include both MOH and Redevelopment Agency projects.

TABLE I-25

Affordable Units Through Acquisition and Rehabilitation

	Completed	Underway	Planned
Acquisition Only	25	0	0
Rehabilitation	9,005	1,783	1,071

Source: Mayors Office of Housing and San Francisco Redevelopment Agency

A. EXISTING HOUSING STOCK

According to the 2000 Census, San Francisco's 346,527 housing units consist of roughly equal proportions of low-density single family, two to nine unit medium density, and ten unit plus high-density buildings (Table I-26). Table I-26 also shows that a vast majority of single-family units are owner-occupied (72%).

TABLE I-26
San Francisco Housing Characteristics

	All Housing Units		Renter Occupied		Owner Occupied		All Occupied Units	
TENURE STATUS	346,527	100.0%	214,385	65.0%	115,315	35.0%	329,700	95.1%
STRUCTURE SIZE								
Single Family	111,405	32.1%	25,124	11.7%	82,529	71.6%	107,653	32.7%
2 - 9 Units	120,003	34.6%	91,412	42.6%	23,071	20.0%	114,483	34.7%
10 units or more	114,559	33.1%	97,593	45.5%	9,450	8.2%	107,043	32.5%
Other	560	0.2%	256	0.1%	265	0.2%	521	0.2%
Total	346,527	100.0%	214,385	100.0%	115,315	100.0%	329,700	100.0%
UNIT SIZE								
No Bedroom	62,278	18.0%	55,678	26.0%	2,784	2.4%	58,462	17.7%
1 Bedroom	96,929	28.0%	79,126	36.9%	13,063	11.3%	92,189	28.0%
2 Bedrooms	103,199	29.8%	53,586	25.0%	44,419	38.5%	98,005	29.7%
3 Bedrooms	59,793	17.3%	19,790	9.2%	37,821	32.8%	57,611	17.5%
4 Bedroom	18,331	5.3%	4,764	2.2%	12,874	11.2%	17,638	5.3%
5 or more Bedrooms	5,997	1.7%	1,441	0.7%	4,354	3.8%	5,795	1.8%
Total	346,527	100.0%	214,385	100.0%	115,315	100.0%	329,700	100.0%
AGE OF HOUSING BY YEAR BUILT								
1980 - March 2000	31,210	8.8%	18,269	8.5%	10,926	9.5%	29,195	8.9%
1960 - 1979	66,944	18.8%	41,712	19.5%	12,028	10.4%	53,740	16.3%
1940 - 1959	85,569	24.0%	50,753	23.7%	31,014	26.9%	81,767	24.8%
1939 or earlier	172,804	48.5%	103,651	48.3%	61,347	53.2%	164,998	50.0%
Total	356,527	100.0%	214,385	100.0%	115,315	100.0%	329,700	100.0%

Source: U.S. Census Bureau

Dwelling units in San Francisco are generally small in size. The 2000 Census showed that 76% of all units had two bedrooms or less. Only seven percent of housing units had four or more bedrooms. These units were primarily in single-family homes and two unit residential flats. Renters, who make up 65% of all households in the City, tend to have smaller units. Over a quarter (26%) of renting households live in units without a bedroom, compared to just 2.4% of home owning households.

Some homes may have been built larger originally, but a number of these have since been subdivided into smaller units similar in size to units built today. According to Assessor's data, between the years 1900 and 2000 the average unit ranged in size from 1,000 -1,200 square feet. The Assessor's database does not allow correlation between a specific year built and unit size because the data are based on the size of the unit today, not when it was originally built.

Almost 50% of San Francisco's housing stock was built prior to 1940. New construction since 1990 accounts for slightly more than 3% of the City's total housing stock. Housing added in the last 20 years represents approximately 7% of all units. Although older, most of the housing stock is in sound condition. Table I-26 details other differences in housing characteristics according to households' tenure status.

Approximately one-half of San Francisco's developable land is devoted to residential use. Of the residentially zoned acreage, a majority of the area (76%) is zoned for single family and two unit housing, at a housing density of approximately 10 to 29 units per acre. Other residential areas with higher housing densities, such as the Van Ness corridor and neighborhoods north of Market Street, bring average housing density citywide to 15 net dwelling units per acre.³ Table I-27 offers a listing of the City's zoning categories that permit residential development, grouping these by generalized housing density levels. Map I-2 provides a generalized illustration of housing densities citywide.

³ Not including right of way and streets.

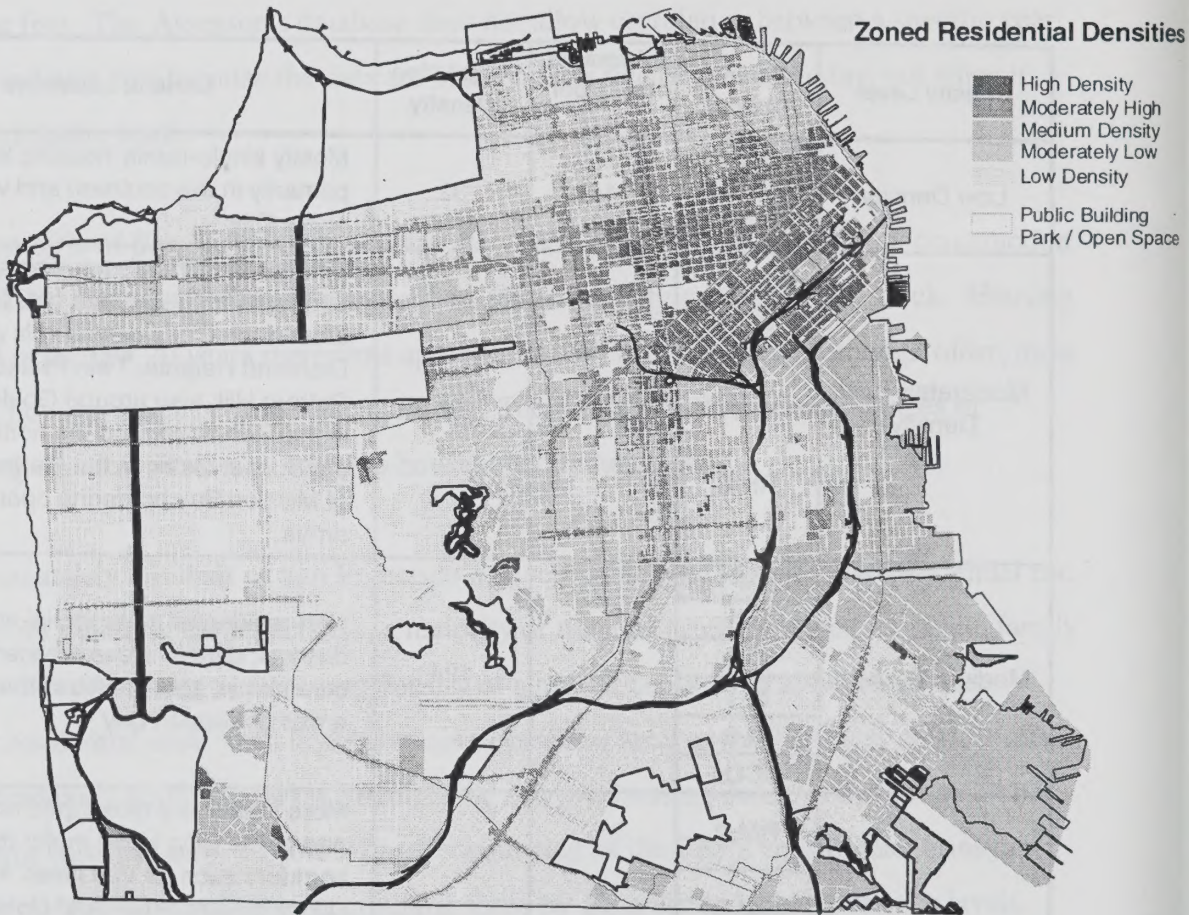
TABLE I-27

Generalized Housing Densities Allowed by Zoning

Density Level	Zoning District	Average Units per Acre	Population Density	General Locations
Low Density	RH-1	14	32	Mostly single-family housing located primarily in the southern and western parts of the City
	RH-1(D)			
Moderately Low Density	RH-2	36	83	Smaller multi-family housing such as duplexes, triplexes, and flats located around the City's central hills areas of Diamond Heights, Twin Peaks, and Potrero Hill; also around Golden Gate Park in the Richmond, and the northern part of the Sunset districts, the Marina and edges of Mission Bay bordering open space areas.
	RH-3			
Medium Density	RM-1	54	124	Non-residential commercial and industrial districts; certain areas adjacent to commercial zones; also in the central areas of Mission Bay
	C-1			
	C-2			
	M-1			
	M-2			
	NCDs			
Moderately High Density	RM-2	91	209	More intensively developed northeastern part of the City; along major transit corridors such as Van Ness Avenue, Upper Market Street and Columbus Avenue; in major redevelopment areas such as the Western Addition, Golden Gateway; in Nob Hill, Chinatown, North Beach, edges of Mission Bay bordering commercial and industrial areas.
	RM-3			
	RC-2			
	RC-3			
High Density	RM-4	283	651	Downtown districts, parts of the northeastern section of the City; heavy commercial districts.
	RC-4			
	C-3			
	C-M			

MAP I-2

Generalized Housing Densities Allowed by Zoning



For better map readability, please see document on-line at
http://www.sfgov.org/planning/citywide/c1_housing_element.htm

1. Changes In Housing Stock, 1990-2000

Accounting for new production, demolitions, and alterations, the City has seen a net change of 11,200 housing units in the last 11 years. From 1990 to 2000, a total of 12,434 new housing units have been completed at an annual rate of about 1,130 units per year (Graph 1-4 and Table I-28). Housing production in San Francisco slowed in the early and mid 1990s due to the economic recession of the time. Net new units from 1992-1995 averaged only 650 per year. In the six years from 1995-2000, the city's housing stock grew by 5,532 units, or about 922 per year. The last two years have seen an increase in the city's housing production. In 2000, 1,626 units, including live/work units, were completed. This is the highest single year total since 1991.

GRAPH I-4

S.F. Housing Trends: New Construction and Demolitions, 1990-2000

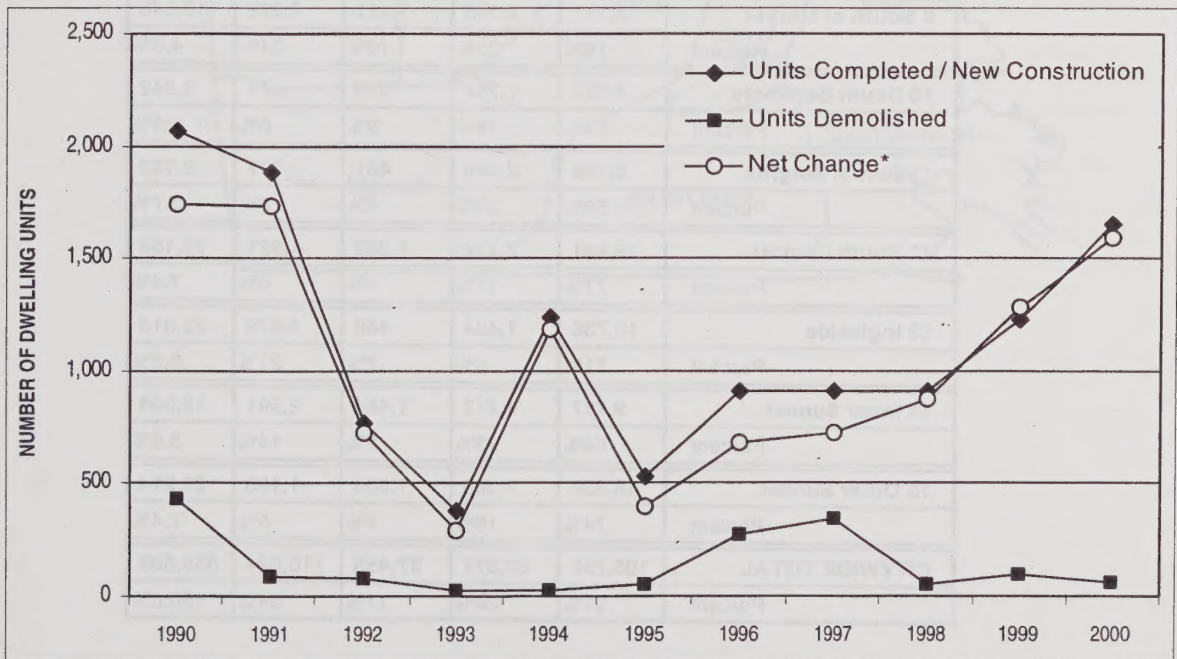


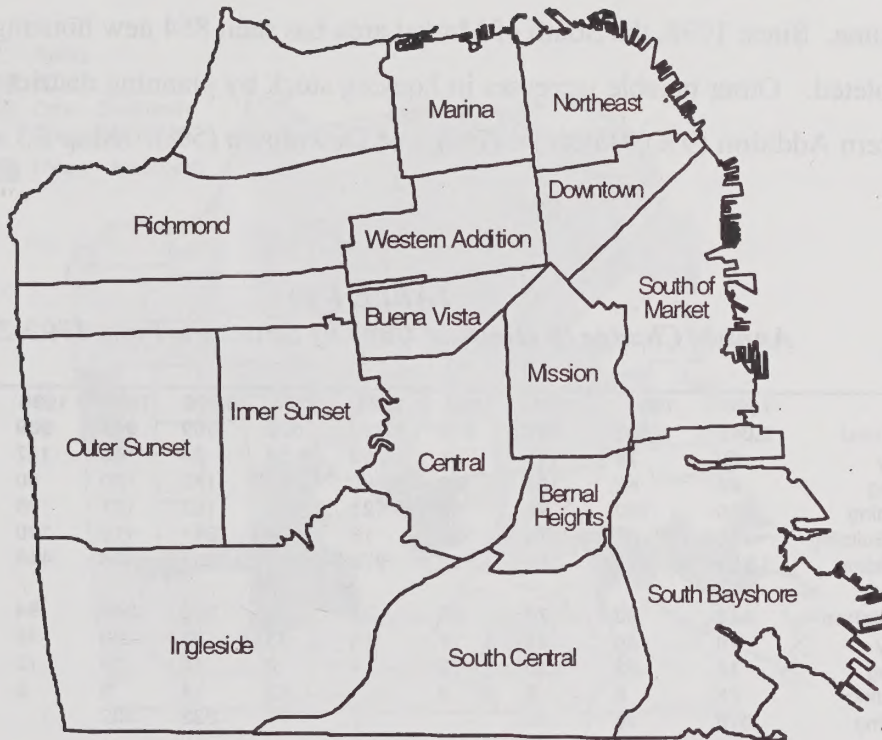
TABLE I-28

Housing Characteristics By Planning District

Planning District	Single Family	2 to 4 Units	5 to 9 Units	10 + Units	District Total
1 Richmond	10,206	15,291	5,146	6,088	36,731
Percent	28%	41%	14%	17%	10.8%
2 Marina	2,737	5,885	3,690	13,290	25,602
Percent	11%	23%	14%	52%	7.5%
3 Northeast	1,456	6,999	6,403	21,620	36,478
Percent	4%	19%	18%	59%	10.7%
4 Downtown	90	402	507	24,675	25,674
Percent	0%	2%	2%	96%	7.6%
5 Western Addition	1,554	6,042	3,910	16,229	27,735
Percent	6%	22%	14%	59%	8.2%
6 Buena Vista	1,743	7,015	3,360	3,915	16,033
Percent	11%	44%	21%	24%	4.7%
7 Central	8,143	10,045	3,039	4,789	26,016
Percent	31%	39%	12%	18%	7.7%
8 Mission	2,333	8,775	4,255	6,662	22,025
Percent	11%	40%	19%	30%	6.5%
9 South of Market	2,117	2,748	1,411	7,272	13,548
Percent	16%	20%	10%	54%	4.0%
10 South Bayshore	6,654	1,754	913	621	9,942
Percent	67%	18%	9%	6%	2.9%
11 Bernal Heights	5,136	2,998	481	517	9,132
Percent	56%	33%	5%	6%	2.7%
12 South Central	19,491	2,712	1,032	1,921	25,156
Percent	77%	11%	4%	8%	7.4%
13 Ingleside	15,736	1,434	469	4,679	22,318
Percent	71%	6%	2%	21%	6.6%
14 Inner Sunset	9,717	4,212	1,484	2,591	18,004
Percent	54%	23%	8%	14%	5.3%
15 Outer Sunset	18,639	4,065	1,355	1,155	25,214
Percent	74%	16%	5%	5%	7.4%
CITYWIDE TOTAL	105,752	80,377	37,455	116,024	339,608
Percent	31%	24%	11%	34%	100.0%

Map I-3

Planning Areas of San Francisco



2. Type and Location of New Construction

Most of the new construction in the last 11 years has occurred in larger structures, with 84% of the housing developed in buildings with more than two units (Tables I-29 and I-30). Downtown, the Western Addition and South of Market areas absorbed most of the new housing development since 1990, accounting for 7,086 new units (57% of all new housing during that period). Since 1990, the total number of housing units in the South of Market planning area grew 31%. This figure includes live/work development during that time. Since 1998, the South of Market area has seen 864 new housing units completed. Other notable increases in housing stock by planning district were the Western Addition (9%), Bayshore (7%), and Downtown (5%). (Map I-3 and Table I-31)

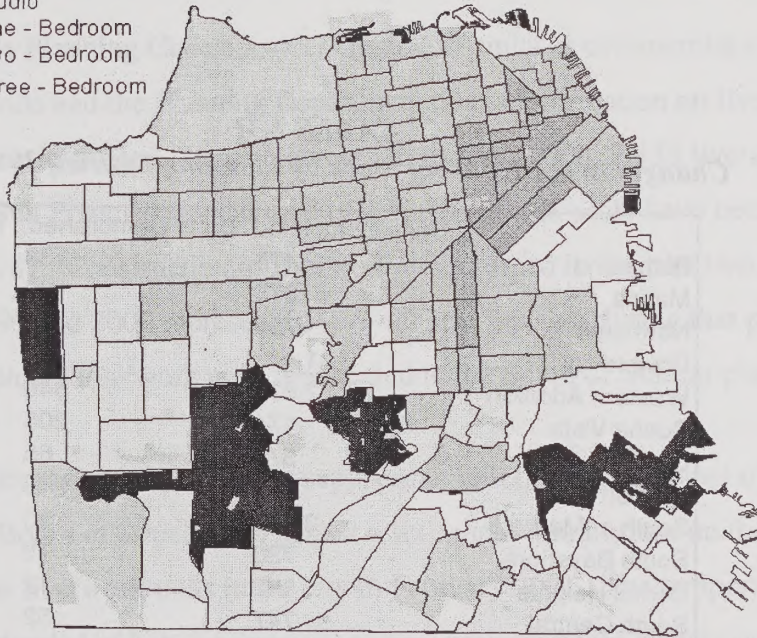
TABLE I-29
Annual Change in Housing Units by Structure Type, 1990-2000

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	TOTAL
New Units Total	2,065	1,882	767	379	1,234	532	909	906	909	1,225	1,626	12,434
Single Family	89	79	111	51	63	69	84	165	117	181	99	1,108
2 Unit Building	48	62	100	74	62	54	142	100	60	106	122	930
3-9 Unit Building	190	129	96	56	121	89	159	127	96	160	217	1,440
10 - 19 Unit Building	156	87	79	36	16	89	241	110	190	162	141	1,307
20 + Unit Building	1,582	1,525	381	162	972	231	283	404	446	616	1,047	7,649
Units Demolished	433	90	76	26	25	55	278	344	54	98	61	1,540
Single Family	18	46	35	17	14	33	31	29	36	55	31	345
2 Unit Building	14	22	20	6	4	2	10	10	12	12	18	130
3-4 Unit Building	25	6	3	3	-	13	4	3	6	21	12	96
5+ Unit Building	376	16	18	-	7	7	233	302	-	10	-	969

MAP I-4

Predominant Housing Unit Size

-  Parks
-  Studio
-  One - Bedroom
-  Two - Bedroom
-  Three - Bedroom



For better map readability, please see document on-line at

http://www.sfgov.org/planning/citywide/c1_housing_element.htm

TABLE I-30
Comparison of Existing Stock with New Construction by Building Type, 1980-2000

	1980	1990	2000	New Construction 1990 to 2000
Single Family	32.3%	32.0%	31.3%	8.4%
Two Units	12.6%	24.0%	23.7%	7.3%
3 to 9 Units	20.8%	11.3%	11.1%	10.3%
10 + Units	34.3%	32.7%	34.0%	74.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

Source: U.S. Census; S.F. Planning Department

TABLE I-31
Changes in the Housing Stock by Planning District, 1990-2000

	Units Completed	Units Demolished	Net Change*
Richmond	478	138	372
Marina	375	39	283
Northeast	752	31	702
Downtown	1,148	32	1,140
Western Addition	2,817	540	2,246
Buena Vista	174	205	(73)
Central	372	65	371
Mission	877	245	708
South of Market	3,147	40	3,404
South Bayshore	720	16	702
Bernal Heights	182	12	162
South Central	747	52	630
Ingleside	328	28	296
Inner Sunset	167	62	105
Outer Sunset	176	35	125
TOTALS	12,460	1,540	11,173

* Net Change includes Alterations.

3. Pipeline

In addition to new housing completed recently, housing in the production pipeline is an important indicator of future development. For the purposes of this report, the Planning Department defines the pipeline as those projects that have been approved by the Building Department within the past three years or filed within the past five years.

At time of the drafting of this report (May 2001), the Planning Department estimated that these projects could result in as many as 4,000 additional housing units in San Francisco in the next few years. This number does not include projects that will be filed and completed in the coming years, only those that have obtained approval. A more detailed discussion of expected housing production, as well as potential housing supply, is given in later sections of this report.

4. Live/Work

Although the City's Planning Code considers live/work units as commercial space, they serve as housing units and the Planning Department tracks information on live/work units in its annual housing inventory. In the ten years from 1991-2000, 2,133 live/work units were produced in San Francisco, and a total of 2,330 live/work units have been completed since 1987. Construction of live/work units surged in the past two years, as new units from 1999 and 2000 represent 35% of all new housing during that period. Over 71% of completed live/work units are located in the South of Market planning area.

Concerned with distortions in the housing supply and with the displacement of industry, the San Francisco Board of Supervisors passed a six-month moratorium on the construction of new live/work units in the city in February 2001. The temporary moratorium was intended to halt the approval of new projects while a study on the impact of live/work units on the city's housing market and industrial lands was being conducted. This moratorium has since been extended several times. In August 1999, the Planning Commission adopted interim zoning controls for southeastern portions of the city aimed at preserving industrially zoned lands from competing uses. These controls created Industrial Protection Zones where new housing and live/work units are not allowed, and accompanying Mixed Use Districts where housing would be encouraged.

5. Illegal New Construction

No information is currently available on the number of illegal secondary units that have been added to the City's housing stock.

6. Units Demolished

A total of 1,540 housing units were demolished between 1990 and 2000, with 433 units demolished in 1990. The number of units demolished from 1995-2000 totaled 890, or 148 per year. As shown in Table I-31, 35% of all units demolished were located in the Western Addition and 16% in the Mission District. Most of the 622 units demolished in 1996 and 1997 were older, larger public housing structures intended to be replaced by new public and affordable housing developments located in these areas.

Single-family homes represented 22% of residential units demolished from 1996-2000 (182 units), while housing in structures with 5 or more units comprised 65% of all units demolished in the same time period (545 units). Due to Department of Building Inspection record-keeping practices, the 576 unit Geneva Towers, which was torn down by the City in 1998, has not been included in the official tally of housing units demolished.

7. Other Changes to the Housing Stock

In addition to changes resulting from new construction and demolition, the quantity of housing in the City can be altered by other factors including the subdivision of units, dwelling unit mergers, elimination of illegal units via code enforcement, the conversion of an existing building's use, such as from commercial space to housing, and through implementation of legislation such as the Ellis Act.

Since 1990, 306 net units have been added to the City's housing stock by some type of alteration. The majority of alterations that produce additional housing usually result in a

single new unit. A small number of illegal units are also removed from the housing stock each year by code enforcement. A total of 494 housing units were removed in this fashion from 1991-2000. A total of 12 units were lost due to code enforcement in 2000. The number of housing (excluding live/work units) units lost by conversion to non-residential uses has decreased dramatically over the last thirty years. Approximately 40 units were lost to such conversion between 1991-2000, whereas over 1,000 units were converted to non-residential uses in the decade from 1970-1980 (Table I-32). The reduction in the number of converted units stems from regulations that discourage the loss of residential units to commercial uses. These regulations do not apply to live/work units. No information is available on the number of units illegally converted from residential use.

TABLE I-32
Housing Units Converted to Non-Residential Use

Housing Units Converted to Non-Residential Use	
1970 to 1980*	1,094
1981 to 1990**	165
1991 to 2000**	42
* A Study of Conversion of Apartments to Non-Residential Uses in Commercial and Industrial Areas, DCP, 1981	
** Housing Inventory, 1981 - 2000	

The units held off the market by the Ellis Act increased significantly in recent years. (Table I-33) From the passage of the Act in 1986 until 1998 there were a total of 44 eviction notices given through the Ellis Act. In 1998 that number increased to 206 notices and in 1999 it peaked at 440 eviction notices. During the second half of the 1990s, however, owner move-in evictions increased dramatically; more than 1,000 eviction notices were given out annually through this process.

TABLE I-33***Number of Ellis Evictions***

Fiscal Year	Owner Occupied	Ellis
88-89	564	18
89-90	545	3
90-91	469	4
91-92	356	4
92-93	293	0
93-94	344	0
94-95	360	0
95-96	467	0
96-97	1,075	3
97-98	1,400	12
98-99	1,198	206
99-00	938	440
00-01	988	274
01-02	726	148
02-03	516	187

Source: Bay Area Economics, San Francisco Housing DataBook, San Francisco Rent Board

8. Residential Hotel Stock

Residential hotel units (also SRO or Single Room Occupancy) refer to rooms for single occupancy that are generally rented to lower income persons. There are 518 residential hotels in San Francisco containing 19,645 rooms (Table I-34). Sixty-one of these hotels are operated by non-profit organizations, representing 17% of all residential rooms in the

City (3,314 rooms). Roughly 19% or 3,314 of the 16,331 rooms in for-profit residential hotels are tourist rooms.

TABLE I-34
Status of Residential Hotels in San Francisco

	Residential Hotels			Non-Profit Residential Hotels			Total	
	No. of Bldgs	Residential Rooms	Tourist Rooms	No. of Bldgs	Residential Rooms	No. of Bldgs	Residential Rooms	Tourist Rooms
1990	495	18,521	4,449	36	1,831	531	20,352	4,449
1995	496	18,415	4,457	36	1,481	532	19,896	4,457
2000	457	16,331	3,781	61	3,314	518	19,645	3,781

Source: Department of Building Inspection

The conversion of residential hotel rooms has significantly decreased from the conversion rate of the 1970s. This is due, in part, to the adoption of the Residential Hotel Ordinance in 1980, and subsequent amendments to that ordinance strengthening its enforcement in 1990. Over 900 SRO units were lost in the last 11 years, largely due to several significant fires, compared to the 410 units lost due to conversion, demolition, or damage from 1981-1989 (Table I-35). Prior to 1981, residential hotel rooms in San Francisco were disappearing at a significant rate, as the SRO stock decreased by 4,883 units from 1975-1980. The loss of SRO units may in fact have been greater than the figures reported, as it is difficult to track illegal conversions and units lost because of small scale damage.

TABLE I-35
Loss of Residential Hotel Rooms

	1975 - 1980	1980 - 1981	1981 - 1989	1990 - 2000
Demolitions/Fire	985	-	99	909
Conversions	2,710	1,188	109	-
Earthquake Damage	-	-	202	-
TOTAL	3,695	1,188	410	909

Source: Department of Building Inspection

9. New Construction of Low and Moderate Income Housing

From 1990-2000, 3,492 new affordable housing units were constructed in San Francisco, 62% of which qualified as affordable at very low-income levels and 30% that was considered affordable for low income households (Table I-36). An affordable rental unit is defined as housing for which rent equals 30% of the income of a household earning 80% or less of San Francisco's median income.

Since 1990, 28% of all new housing in the City have been affordable units. Over the last five years, a total of 1,339 new affordable units were produced, representing roughly 24% of all new housing units produced during that time. These totals represent construction of new units, but do not include permanently affordable units that result from acquisition and rehabilitation of existing buildings by non-profit housing organizations. Fifty-nine percent of all affordable units produced from 1996-2000 targeted very low and extremely low income households, those earning less than 50% of area median income. Family units comprised the largest portion of affordable housing produced in the last five years, totaling 61% of these types of units.

TABLE I-36***New Construction of Low and Moderate Income Units, 1990-2000***

New Construction of Low and Moderate Income Units (1990 - 2000)											
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Very Low	278	203	16	108	686	82	83	287	213	136	67
Low	180	154	180	-	86	80	198	46	21	41	54
Moderate	-	32	54	-	4	10	63	36	-	63	31
Total Newly Constructed Affordable Units	458	389	250	108	776	172	344	369	234	240	152
As % of Total New Construction	22.2%	20.7%	32.6%	28.5%	62.9%	32.3%	37.8%	40.7%	25.7%	19.6%	9.3%

10. Federally Assisted Units

Table I-37 describes units in San Francisco that receive support under the Federal Section 8 rent subsidy program or are managed by the San Francisco Housing Authority. In the Section 8 program, residents pay 30% of their monthly income in rent, and the government subsidizes the difference so that the property owner receives a HUD-determined fair market rent each month. Section 8 subsidies are associated either with a particular housing unit (project-based) or with a qualifying household (voucher/certificate program).

Section 8 housing units and those managed by the Housing Authority total almost 21,000 units, representing over 6% of the city's total housing stock. Senior and disabled renters that meet the income eligibility requirements are given priority on roughly a third of all Housing Authority units, while the remaining units are predominantly occupied by family households. Almost half of all residents in Housing Authority units are African-American, and approximately one-fifth is Asian-American.

The San Francisco Housing Authority total in Table I-37 does not include 661 formerly managed units that have been recently demolished as part of the federal HOPE VI rehabilitation program. The HOPE VI funds will support the rehabilitation of units at five former Public Housing Authority projects, and will result in over 1,200 upgraded units of affordable housing, 234 of which are already completed. Other Federally

assisted units include those subsidized under programs including HOPWA (Housing Opportunities for Persons with AIDS), which created 189 units as of 2001, HUD Section 811 (for those with Disabilities), 59 units, and HUD 202 (for Seniors), 1,534 units.

TABLE I-37
Citywide Inventory of Public Assisted Housing

	2000		
	Total No. of Units	Elderly Units	Family Units
Project Based Section 8			
For profit	4,085	n/a	n/a
Non-profit	3,957	n/a	n/a
Tenant Based Section 8	6,641*	n/a	n/a
SF Housing Authority	6,096	2,025	4,071
TOTALS	20,779	2,025	4,071
*Total includes 909 Project-based units administered by SFHA			
Source: San Francisco Housing Authority and Redevelopment Agency			

B. AFFORDABILITY

The housing needs for San Francisco are based on a regional assessment for the Bay Area. The Regional Housing Needs Determination process is a State mandate devised to address the need for and planning of housing affordable to many income levels and in all communities throughout the State. Each jurisdiction within the Bay Area (101 cities, nine counties) is given a share of the anticipated regional housing need. The Bay Area's regional housing need is specified by the California State Department of Housing and Community Development (HCD) and finalized through negotiations with ABAG. The following section addresses affordability within this context.

1. Owner-Occupied Housing

San Francisco's housing prices are among the highest in the nation. In 2000, the average price for a three bedroom home in San Francisco exceeded \$540,000, 30% higher than the Bay Area average (Table I-38). It is estimated that only 11% of San Francisco's households can afford a median priced home in the City. Statewide, over 30% of households in California can afford the median home sales price. The median price for a home in the U.S. in 2000 was near \$150,000, according to the *Housing Opportunity Index*, a report published by the National Association of Home Builders. The report estimates that almost 60% of all homes sold in the country last year were at prices affordable to a family earning the national average household income. In contrast, only 6% of home sales in San Francisco were affordable to households earning the area median income.

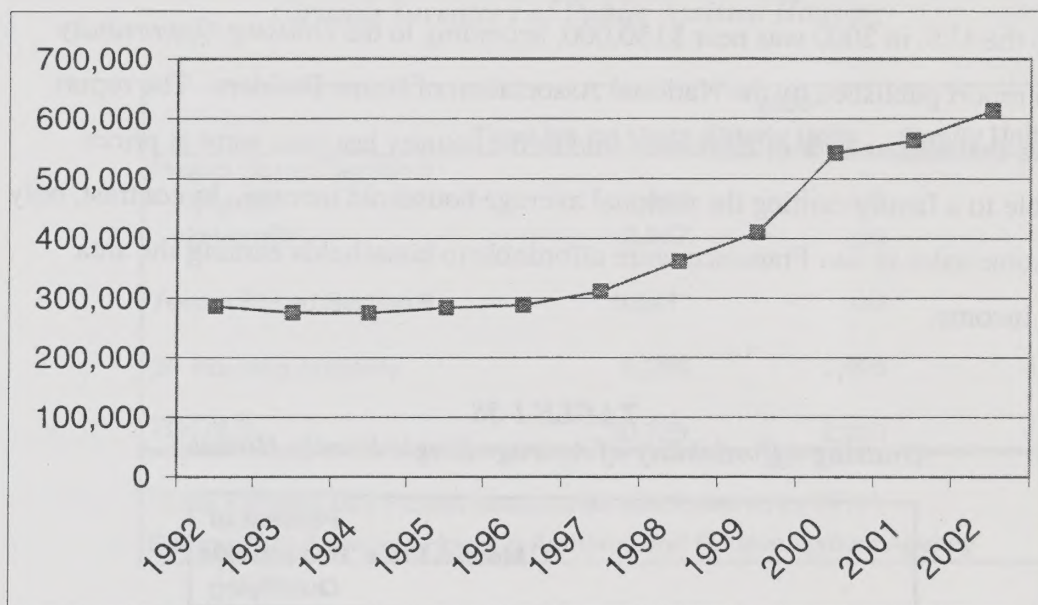
TABLE I-38
Housing Affordability of Average Single Family Homes

	Median Price	Percent of Households Qualifying
San Francisco	\$540,000	11%
SF Bay Area Region	\$470,000	18%
Northern California (not including the SF Bay Area)	\$200,000	35%
California	\$250,000	32%
Nationwide	\$151,000	56%
Source: California Association of Realtors		

Graph I-5 depicts the rapid increase in housing prices in San Francisco over the past ten years. The average price of a three-bedroom house in San Francisco has increased by 86% since 1991, while the average price of a house in the Bay Area region spiked 56% in the same ten years. This dramatic increase is largely due to rising home prices in the last five years. Average home prices actually fell 2.7% in San Francisco from 1991-1995 and dropped 3.5% across the Bay Area over those five years. The high cost of home

ownership is generally prohibitive for San Francisco's low and moderate-income households, and homeownership for these households requires substantial subsidies.

GRAPH I-5
Housing Price Trends



Source: California Association of Realtors, *(Figures in current dollars)

Table I-39 below shows rates of home ownership by planning district. At least 50 percent of homes are owned in the Ingleside, Inner Sunset, Outer Sunset, South Central, and South Bayshore planning districts. Home ownership rates are lowest in the downtown, with only two percent of people owning their home.

TABLE I-39***Home Ownership by Planning District***

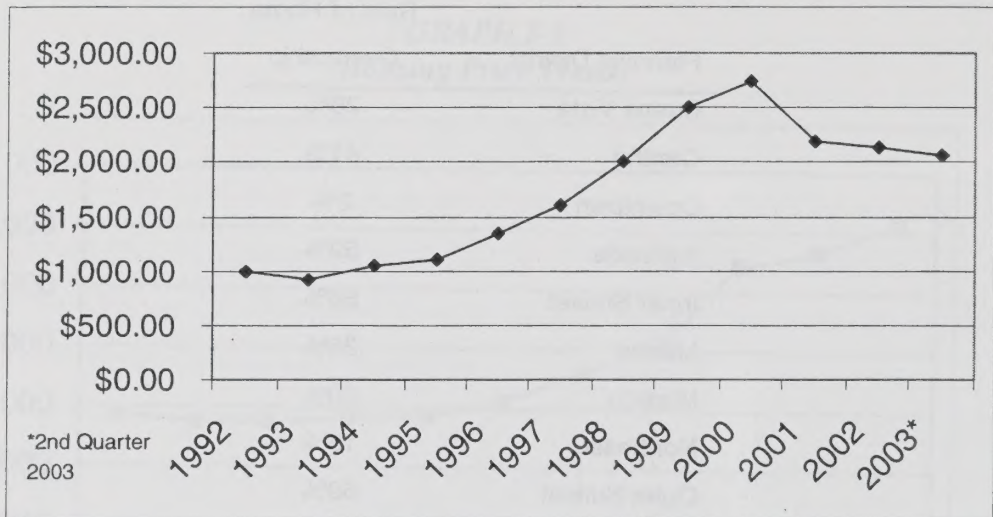
Planning District	Rate of Home Ownership
Buena Vista	26%
Central	41%
Downtown	2%
Ingleside	59%
Inner Sunset	56%
Marina	25%
Mission	20%
Northeast	15%
Outer Sunset	59%
Richmond	38%
South Central	67%
South of Market	32%
Western Addition	19%
South Bayshore	50%

2. Rental Housing

According to the 2000 Census, 35% of San Francisco households own their homes, while 65% are renters. The rate of homeownership has been constant since the 1990 Census and is still much lower than the national average of 69%. Rents in San Francisco increased dramatically over the past decade, as job growth outpaced housing development and housing demand remained high in the City (Graph I-6). Average rents in San Francisco increased a staggering 175% from 1991-2000, and have risen by almost 21% per year since 1996. The average monthly rent for a two-bedroom apartment in 2000 was \$2,750. To afford this level of rent, a household would need to earn

approximately \$110,000 a year. It is estimated that only 17% of San Francisco households earned over \$110,000 in 1999.

GRAPH I-6
Rental Housing Price Trends



Sources: S.F. Property Report and Bay Area Council

Rental affordability is a citywide problem as shown in Table I-40. Based on the units surveyed, neighborhoods in the south, central, and eastern portions of the city are the most affordable. Even in these more affordable neighborhoods, the affordability gap for low and very low-income households is still significant. The least expensive average asking rent for a two bedroom by district (\$2,105) is still over 146% greater than what a low income household can afford.

TABLE I-40
Rental Affordability for Lower Income Households by Planning District, 2001

Rental Affordability for Lower Income Housholds, 2003

	Average Rent for a 2 Bedroom*	Affordability Gap		% Over Rents Affordable by	
		Very Low Income	Low Income	Very Low Income	Low Income
Richmond	\$1,900	\$958	\$392	201.73%	126.01%
Marina	\$2,474	\$1,532	\$966	262.58%	164.03%
Northeast	\$2,327	\$1,385	\$819	246.97%	154.28%
Downtown	\$2,246	\$1,304	\$738	238.43%	148.94%
Western Addition/Lower					
Pacific Heights	\$1,955	\$1,013	\$447	207.57%	129.66%
Buena Vista	\$1,910	\$968	\$402	202.79%	126.67%
Central	\$2,086	\$1,144	\$578	221.49%	138.36%
Mission	\$1,687	\$745	\$179	179.09%	111.87%
South of Market	\$2,576	\$1,634	\$1,068	273.50%	170.84%
Bayview	\$2,190	\$1,248	\$682	232.48%	145.23%
Bernal Heights	\$1,869	\$927	\$361	198.35%	123.91%
South Central	\$1,930	\$988	\$422	204.92%	128.01%
Ingleside	\$2,063	\$1,121	\$555	219.02%	136.82%
Inner Sunset	\$1,958	\$1,016	\$450	207.86%	129.84%
Outer Sunset	\$1,696	\$754	\$188	180.08%	112.49%
Citywide Average	\$2,058	\$1,116	\$550	218.46%	136.46%

*Source: MetroRents

3. Loss of Publicly Assisted Units

Through contracts managed by the San Francisco Housing Authority, the Federal project-based Section 8 program subsidizes rent on over 8,000 units of affordable housing in the city. Almost half of these units are in projects owned or managed by non-profit organizations. Section 8 units receive Federal subsidies that provide the owners of these units with the difference between 30% of the tenant's income, and a HUD established rent for the units.

Table I-41 shows Section 8 units with contracts set to expire in the next few years.

Expiration of Section 8 subsidies in privately owned projects could force tenants to pay

TABLE I-41
Expiration and Opt-Outs of Project Based Section 8 Contracts:
Buildings at Risk, 2000 -2005

Project	Owner [1]	First Expire [2]	Units [3]	Flex [4]	LIHPRHA [5]	Rent Control
Bayview-Hunters Point						
ALL HALLOWS GARDEN APTS.	LD	9/30/1996	155	Yes	No	Yes
BAYVIEW APARTMENTS	LD	9/30/1996	146	Yes	No	Yes
JACKIE ROBINSON GARDENS	LD	8/31/1996	130	Yes	No	Yes
LA SALLE APARTMENTS	PM	10/16/1997	145	No	No	Yes
RIDGEVIEW TERRACE	LD	9/10/1996	101	No	No	Yes
SHOREVIEW APARTMENTS	PM	1/8/1998	156	No	No	Yes
Diamond Heights						
CASA DE VIDA	PM	12/14/2001	21	No	No	No
Hayes Valley						
FAIR OAKS APARTMENTS	LD	7/20/2021	20	No	Yes	Yes
MERCY TERRACE	PM	11/29/2003	158	No	No	Yes
Ingleside						
PAGE/HOLLOWAY APARTMENTS	PM or LD	12/15/2020	15	No	No	No
Mission						
MARIPOSA GARDENS APTS.	LD	9/19/2003	63	No	No	No
MISSION BART APARTMENTS	PM	10/20/2013	13	No	No	No
MISSION PLAZA APARTMENTS	PM	7/14/2000	132	No	No	No
North Beach						
WHARF PLAZA I	PM	4/5/2002	116	No	No	No
WHARF PLAZA II	PM	6/15/2002	114	No	No	No
Richmond						
OCEAN BEACH APARTMENTS	PM	4/25/2004	85	No	No	No
Tenderloin						
ASPEN TENDERLOIN APT	LD	12/1/2003	82	No	Yes	Yes
CRESENT MANOR	LD	10/31/1996	92	Yes	No	Yes
LASSEN APARTMENTS	PM	6/21/2003	81	No	No	Yes
PADRE APTS-NSA	LD	7/30/2021	41	No	Yes	Yes
SERENITY TOWERS	PM	4/3/2003	72	No	No	No
Western Addition						
EMERIC-GOODMAN BUILDING	LD	12/19/2004	30	No	No	No
NAMIKI APTS	PM	8/9/1999	33	No	No	No
UNIVISTA APARTMENTS	LD	8/31/1997	24	Yes	No	Yes
Total			2025			

[1] LD = Limited Dividend, PM = Profit Motivated

First expiration of Section 8 Contract, typically 20 years after origination. Contract is renewed annually each year thereafter.

[3] Units receiving project based Section 8 subsidy.

Flexible Subsidy Use Agreement: HUD rehabilitation loan program that provided funds to owners in exchange for a no-prepayment provision, and increased Section 8 contract rent levels to cover new debt

[4] Low Income Housing Preservation and Resident Homeownership Act: Provided federal funds to purchase at-risk properties and extend affordability requirements for an additional 30 years

Source: San Francisco Redevelopment Agency, May 2001

TABLE I-42

At-Risk Subsidized Housing, by Funding Source

Funding Source	Project Name	No. of Units	Expiration
Tax Credit	Mercy Family Plaza	36	December 2006
	Mission Capp Apartments	48	December 2006
	Coleridge Park Homes	49	December 2006
	Cambridge Hotel	60	December 2006
	Total	193	
HCD-Funded Rentals	2800-2818 Bryant Street	7	February 1999
	Woodward Gardens Hotel	59	March 1999
	1204 Mason Street	24	March 2002
	Clayton Hotel	82	June 2002
	Tower Hotel	34	October 2003
	Total	206	
Bond Funded	Webster Tower & Terrace	31	2002
	Rincon Center	60	2000
	Bayside Village	173	1999
	Fillmore Center	223	2001
	St Francis Place	82	2000
	Total	569	
FHA-Funded	Maria Manor	118	August 2000
	Alexis Apartments	132	August 2000
	All Hallows Community	45	March 2004
	All Hallows Garden Apts.	150	February 2000
	Ammel Park Co-op	95	February 2000
	Antonia Manor	132	October 2000
	Aspen Tenderloin Apts	82	December 2003
	De la Esperanza Apts	39	June 2000
	Bayview Senior Housing	53	May 2004
	Betel Apts	41	July 2003
	Bethany Center	123	February 2005
	Casa de la Raza	51	April 2006

Funding Source	Project Name	No. of Units	Expiration
FHA-Funded	Casa de Vida	21	December 2001
	Ceatrice Polite Apts	91	October 2004
	Colosimo Apts	11	April 2002
	Crescent Manor	92	September 2000
	Dorothy Day Community	100	May 2006
	Eastern Park Apts	201	November 2000
	El Bethel Arms	254	July 2000
	El Bethel Terrace	100	July 2004
	Emeric Goodman	30	December 2004
	Fellowship Manor	105	September 2000
	Francis of Assisi	110	August 2000
	Fredrick Douglas Haynes	34	May 2000
	Friendship Village One	68	June 2000
	Friendship Village Two	90	May 2000
	Jackie Robinson Gardens	52	December 2000
	Jones Memorial Homes I	32	June 2000
	Jones Memorial Homes II	101	July 2000
	Jones Senior Homes	51	May 2004
	La Salle Apts	145	April 2000
	Lassen Apts	81	June 2003
	Mariposa Gardens Apts	63	July 2003
	Market Heights Apts	32	March 2006
	Martin Luther King/Marcus Ga	211	November 2000
	Mei Lun Yuen	185	May 2000
	Menorah Park	151	April 2000
	Mercy Terrace	158	November 2003
	Mission Plaza Apts	132	July 2000
	Nihonmachi Terrace	82	August 2000
	Northridge Co-op Homes	300	April 2003
	Ocean Beach Apts	85	April 2004
	O'Farrell Apts	100	July 2005
	On Lok House	54	October 2000

Funding Source	Project Name	No. of Units	Expiration
FHA-Funded	Park Sunset	29	September 2000
	Presidio Gate	54	September 2005
	Ridgeview Terrace	100	June 2000
	Royal Adah Arms	142	May 2000
	San Lorenzo Ruiz Center	145	January 2000
	Shoreview Apts	156	May 2000
	Silvercrest Residence	103	May 2000
	Sutter Apts	67	June 2000
	Unity, Peace and Freedom	88	August 2000
	Univista Apts	24	September 2000
	Vincentian Villa	72	July 2000
	Western Park Apts	112	May 2000
	Wharf Plaza I	116	April 2002
	Wharf Plaza II	114	June 2002
	YWCA Apts	97	December 2000
	Total	5,802	
OVERALL TOTAL		6,770	

C. Vacancy

The overall housing vacancy rate in San Francisco fell over the past ten years. About 5% of the City's housing stock was not occupied at any given time at the time of the Census in April 2000 (Table I-43). The 2.5% rental vacancy rate and less than 1% for sale vacancy rate led to intense bidding and rising housing costs. Almost 3,800 of all vacant housing in 2000 (or 1.1% of all housing units) are second homes for families with another primary residence, time shares, or corporately owned and utilized for employee housing.

The number of vacant units that are not available for sale or for rent are being held off the market for a number of reasons. According to information from the U.S. Census and ABAG's San Francisco Housing Databook (2002), in 2000, 3,762 units were held off the

market because they were being kept for occasional use, for example, for seasonal or recreational use. An additional 5,142 units were held off the market for personal reasons of the owner, use by caretaker or janitor, boarded-up units that are not available for occupancy or units held for migrant workers. This total represents 2.6 percent of the total housing units in San Francisco in 2000.

TABLE I-43
Trends in Vacancy Rate, 1970-2000

	1970	1980	1990	2000
Total Housing Units	310,674	316,608	328,471	346,527
Occupied	295,484	298,956	305,584	329,700
Vacant	4.89%	5.58%	6.97%	4.86%
For Rent Vacant	3.17%	2.68%	3.71%	2.50%
For Sale Vacant			0.56%	0.80%

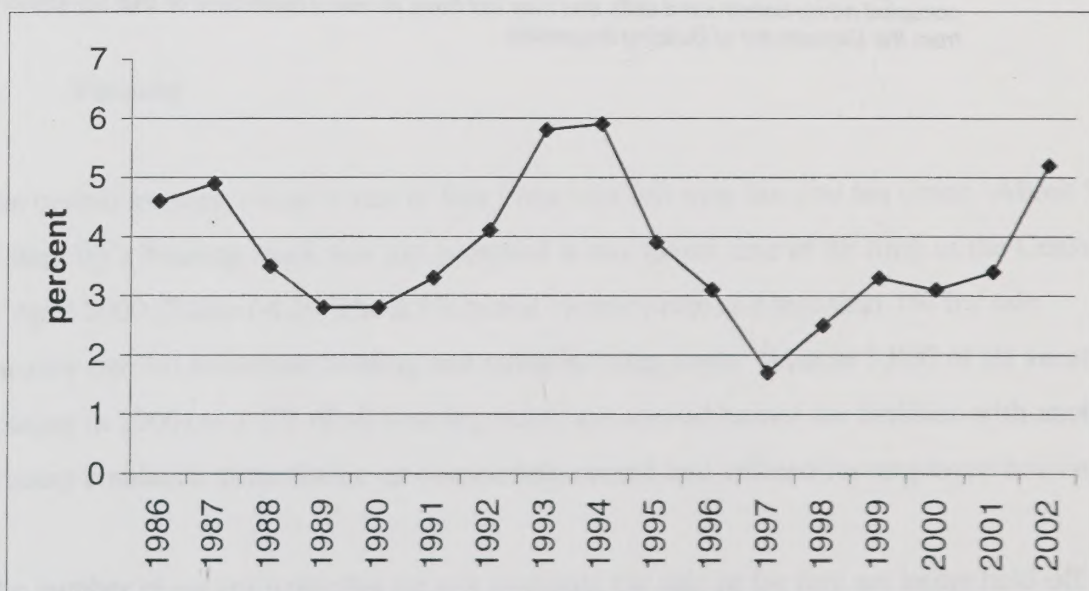
Source: U.S. Census

Note: The U.S. Census 2000 total housing unit count exceeds the S.F. Planning Department's housing unit total as the Census take into account illegal secondary housing units as well as occupied newly-constructed units that may not have received certificates of final completion from the Department of Building Inspection.

The vacancy data included in Table I-43 is calculated as part of the decennial census. The Census Bureau also undertakes an annual Housing Vacancy Survey which calculates vacancy rates for rental and homeowner properties in large metropolitan areas throughout the country. The methodology used to create this survey is different from that used for the decennial Census. Therefore, the results are not comparable. For example, the decennial census calculated a vacancy rate of 2.5 percent for 2000 while the Housing Vacancy Survey calculated a vacancy rate of 3.1 for 2000. The Housing Vacancy Survey data may not be as reliable as the decennial census but allows yearly comparisons. The Census Bureau is in the process of improving the Housing Vacancy Survey to make it consistent with other related Census data. Both data are provided here. Graphs I-7 and I-8 below show vacancy rates for San Francisco from 1986-2002 based on this annual survey. This information can supplement Table I-42 to compare trends in vacancies since 1986.

GRAPH I-7,

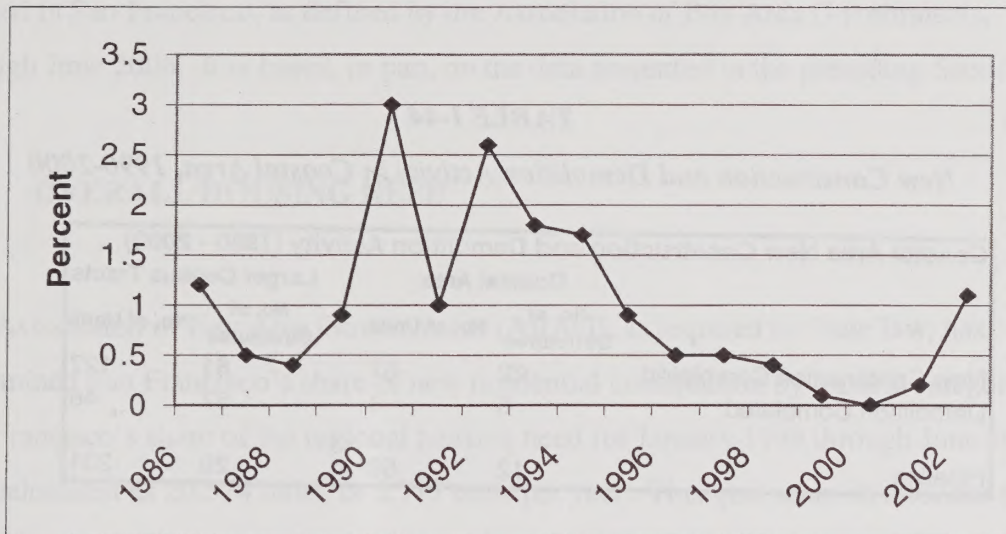
Rental Vacancy, 1986-2002



Source: Census Bureau, Housing Vacancy Survey

GRAPH I-6B,

Homeowner Vacancy, 1986-2002



Source: Census Bureau, Housing Vacancy Survey

D. COASTAL ZONE HOUSING

California State regulations require that the Housing Element detail new construction and demolition activity occurring along the California Coastal Zone. The City's entire western shoreline is within California's coastal zone area. The coastal area zone boundary includes about 30 residential blocks that front near the shoreline.

Fifty-seven new units in 22 structures were built between 1990 and 2000, an average of about five new units a year. In this same period, six buildings with eight units were demolished, although four of these were rebuilt with a total of six units. Fourteen projects with 64 units are slated to be constructed in the coastal zone.

Within the larger census tract areas fronting the coastal shoreline (about 150 blocks), new construction in in-fill sites has averaged about 12 units per year and demolition has averaged about four a year.

TABLE I-44

New Construction and Demolition Activity in Coastal Area, 1990-2000

Coastal Area New Construction and Demolition Activity (1990 - 2000)				
	Coastal Area		Larger Census Tracts	
	No. of Structures	No. of Units	No. of Structures	No. of Units
New Construction Completed	22	57	61	127
Demolition Completed	6	8	57	46
Pipeline	12	59	29	231

Residential development in the Coastal Zone must conform to City Planning Code density requirements. Development projects in the coastal zone also are required to apply for a coastal permit and are reviewed for consistency with Western Shoreline General Plan policies contained in the Western Shoreline Plan and Proposition M policies, which aim to preserve the City's supply of affordable housing.

In addition, new construction and demolition permits are reviewed for consistency with Article 10 of the California Government Code which requires that affordable lower income units converted or demolished in the Coastal Zone Area be replaced on a one-for-one basis, and that, new housing developments, where feasible, provide housing units for persons and families of low or moderate income.

III. HOUSING NEEDS

This section examines the type, amount and affordability of new housing construction needed in San Francisco, as defined by the Association of Bay Area Governments, through June 2006. It is based, in part, on the data presented in the preceding Sections.

A. OVERALL HOUSING NEED

The Association of Bay Area Governments (ABAG), as required by State law, has determined San Francisco's share of new residential construction by income categories. San Francisco's share of the regional housing need for January 1999 through June 2006 was calculated as 20,374 units, or 2,717 units per year. This goal seeks to alleviate a tight housing market stemming from household growth, and to accommodate at least 50% of new workers. San Francisco would need a total annual housing production rate of 2,852 units through June 2006 to achieve a 5% vacancy rate over the City's housing need.

TABLE I-45

ABAG Housing Needs Assessment

Housing Needs Estimate (January 1999 to June 2006)

Housing Need Related to Accommodate Household Growth	6,449
Housing Need Related to House 50% of new San Francisco Workers in the City	13,925
	20,374

Annual New Housing Construction to Meet Housing Need	2,717
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Annual New Construction to Meet Housing Need and Increase New Construction Vacancy Rate to 5%	2,852
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B. HOUSING NEEDS OF SPECIAL POPULATION GROUPS

Various population groups warrant particular attention because the housing market has not adequately met their needs. These groups include the homeless; the mentally ill; the disabled; the elderly; multi-generational households; students; immigrants and refugees; persons with AIDS; and artists. The permanent housing needs of specific population groups are summarized below (Table I-46). It should be noted that these population groups are not mutually exclusive and their needs may overlap. For example, a person can be both elderly and a low-income minority. It is also estimated that 39% of the homeless suffer from mental illness and as many as 23% of the elderly have mobility or self-care limitations. Immigrants and refugees have extended families. Between 60 to 80% of all homeless individuals may suffer from one or more physical disability, mental illness, or substance addiction. More detailed information on the housing needs of these specific populations can be found in the *2000 Consolidated Plan* (Mayor's Office of Housing, November 2000).

TABLE I-46

Permanent Housing Needs of Special Population Groups

Population Group	Type of Units Needed	Units
Homeless	Shelters, transitional housing, SROs, Small and Large Family	3,500
Mentally Ill	Board and Care, Institutional Facilities	2,000
Physically Disabled	Accessible Units of all Types	3,177
Elderly	Senior Housing Projects, Studios, 1 Bedroom	1,500
Low Income Minorities	Elderly, Small and Large Family	*
Families with Children	2 or more Bedroom Family Housing	4,000
Low Income Singles	SROs, Studios, 1 Bedroom Units	*
Students	Dorms or Studios	1,000
New Immigrants	Small and Large Families	*
Terminally Ill Patients	Board and Care, Institutional Facilities	3,000
Artists	Affordable Live/Work Space	1,500

*data unavailable

Source: 2000 Consolidated Plan

1. Homeless

Estimates of the homeless population in San Francisco range from 5,400 to 12,500 persons. The Mayor's Office on Homelessness counted 7,257 homeless persons on the streets and in homeless shelters in October 2001. Of these persons, 21% were counted in shelters and over 43% were counted on the streets. The bi-annual survey conducted by the Mayor's Office on Homelessness provides a snapshot of the number of homeless on one night.

TABLE I-47

Estimated Homeless Population in San Francisco, October 2001

Homeless Shelters	1,525
Living on the Streets	3,156
Family Shelters & Emergency Housing	828
Treatment programs & County Jail	1,698
Irregularly Housed	50
Total	7,257

Source: Mayor's Office on Homelessness

The Local Homeless Coordinating Board, assisted by the Department of Human Services, on the other hand, estimates the number of homeless to be 9,375 homeless individuals and 3,125 homeless families. The Board's wider parameters – which includes persons living in single-room occupancy hotels, and those temporarily staying with families or friends, as well as persons who experienced homelessness within a specific period of time – accounts for the difference in counts. The 2000 Consolidated Plan identified the unmet need for permanently housing homeless singles and homeless families at about 3,500 units.

The following brief profile of the homeless is based on various surveys. While not comprehensive, it nevertheless underscores the multiplicity of their housing needs:

- Most homeless are single adults, predominantly male (about 68%), between 31 and 50 years old (65%). African-Americans represent a disproportionate number of this homeless population (42%). Lack of income or loss of a job were most cited as the primary cause of homelessness; with a significant number unable to work because of physical disability (15%) or mental illness (11%). Over half have reported abusing drugs and/or alcohol.
- Homeless families are a growing segment of the City's homeless population, although they may not be as visible as the adult males living on the streets. They are most likely to be led by a single-parent (70%), and headed by women (90%). As many as 58% of individuals in homeless families are children, and half of these children are under five years old. Homeless family members are also disproportionately African-American (43%). Almost three-quarters were experiencing homelessness for the first time and over half report having a history of domestic violence. The main source of income for primary care givers in most homeless families is the Federal Aid for Families with Dependent Children (AFDC) program. Substance abuse also plagues homeless families, with over a third of primary caregivers reporting the use of drugs or alcohol.
- Over three-quarters of homeless youth (10 to 21 years old) are under 18 and many (62%) do not have the option of returning home due to physical, emotional, or sexual abuse, or the inability of the family to provide for them due to substance abuse or poverty. Homeless youth are often without viable means of support and as minors, have little access to benefits. They are also likely to have limited job skills and are vulnerable to substance abuse, prostitution, and exposure to HIV.

Homelessness can be triggered by other factors. The significant regional economic growth of the last few years has intensified the City's already tight housing market,

leading to what can be described as an affordable housing crisis. Not all residents of San Francisco benefited from the economic boom of the last few years. In 1999 rental vacancy rates dipped to less than 2%, and asking rent prices averaged \$2,016 for a two-bedroom apartment. In such conditions, unexpected displacement or eviction can be devastating to the estimated 10% of all families in City earning less than \$17,000 a year, roughly the national threshold for poverty.

Homelessness can also be a measure of the extent to which current production of affordable housing falls short of the actual need. The production of 3,490 affordable housing units from 1990 through 2000, in addition to the rehabilitation of almost 4,000 single-room occupancy residential hotel units (SROs), barely met the needs of households earning less than 50% of the area's median income.

2. Mentally Ill

San Franciscans with severe psychiatric disabilities often have extremely low incomes and are consequently forced to live in substandard housing without the supportive services and assistance that would allow them to live independently. De-institutionalization of the state's mental institutions in the late 1970s left the charge and housing of psychiatrically disabled residents to private board and care facilities. In 1977 there were 1,278 board and care beds. By 1995 this number shrank to 465.

In 1999, licensed board and care facilities in San Francisco managed 525 beds for San Francisco's mentally ill. However, the growing costs of patient care may again reduce the modest gain in out-patient service. At current supplemental security subsidy levels, operators are finding the provision of board and care for the mentally ill financially unattractive.

A survey conducted by the San Francisco Mental Health Association indicated an overwhelming desire on the part of mentally disabled persons to live alone or with one to two friends in apartments with support services as needed. The absence of affordable housing linked to supportive services, however, sends many of the City's mentally ill through a never-ending loop of short-term acute care and homelessness. The Department of Public Health's Division of Mental Health estimates a need for 2,000 supportive housing units for San Francisco's mentally ill.

3. Physically Disabled

Accessible housing is housing with special design features that accommodate people with physical disabilities; for example, the height of cabinets, the positioning of electrical outlets, the layout of fixtures and appliances, and wide interior spaces for wheelchair circulation. However, with over three-quarters of San Francisco's housing stock built before 1950, much of the City's housing has narrow corridors and doorways, steps leading to building entrances, and multiple stories without elevators – all presenting barriers to people with disabilities.

The Northern California Council for the Community estimates that 63,032 San Franciscans are physically disabled (*Building a Healthier San Francisco: A Citywide Collaborative Community Assessment*, 1999). The 1990 Census also counted 22,962 non-institutionalized adults as having mobility problems and who would need accessible housing units. San Francisco has a high percentage of elderly and other households that require housing that is accessible to the disabled. While more refined estimates of accessible housing needs are unavailable, assuming that 20% of physically disabled persons between the ages of 16 and 64 earn less than 50% of the area's median income, a need for 3,177 accessible affordable housing units would exist.

4. Elderly

The 2000 Census counted 136,369 or 18% of San Francisco's population as 60 years or older. This elderly population is expected to grow to 173,200 by 2010. The recent Census also estimated that 24% of all San Francisco households have one or more persons over 65 years old. About 32,300 elderly householders, representing about 10% of all households in 2000, lived alone.

Senior citizens have different housing needs especially as they develop health problems or experience decreased mobility. The U.S. Census Bureau estimates that 23% of persons 65 and over have mobility or self-care limitations. The Long-Term Care Pilot Project Task Force estimates that the City must develop a minimum of 1,500 units of affordable supportive housing. Older and disabled adults who require long-term care have a need for a broad range of on-site and off-site services including central dining, transportation services, limited or complete medical care, recreational and other services. For seniors living independently, there is a need for small, safe, easily maintained dwelling units.

Another segment of the population that has not been addressed are elderly women. The vast majority, or 80% of the people living in nursing homes are women. Women who are widowed receive less income than widowed men. More women are likely to experience a financial crisis after the age 65 than men. Divorced women typically lose financial support from pensions and other benefits.

5. Persons with AIDS and Terminally Ill Patients

Residential needs of persons with AIDS range from independent living to home care and hospice services. The San Francisco Five-Year HIV/AIDS Housing Plan Update estimated that there were over 7,960 people with AIDS living in the City. Thirty-eight percent of them are low income. Current available resources do not meet the need for

supportive housing for people living with AIDS. As many as 3,000 people were on the HIV/AIDS Housing Waitlist as this report was being drafted.

6. Low Income Ethnic Communities

Low-income households in communities of color have often been at particular disadvantage in the housing market. As Tables I-4, I-21 and I-22 showed, ethnic households tend to be larger and poorer. The high cost of housing and the limited supply of suitably sized units often results in many of these households living in cramped quarters (see Table I-54). The need here is for rehabilitation and affordability assistance for those living in the existing housing stock, as well as construction of new larger units.

7. Immigrants, Refugees and Undocumented Workers

San Francisco has long been a “Port of Entry” to the United States for immigrants and refugees. Legal immigrants come from various countries for which the U.S. government has established numerical quotas and preference categories related to relatives already in the United States. Refugees come from certain areas that the U.S. government designates as warranting opportunity for political asylum. These individuals are eligible for various forms of Federal aid. San Francisco also shelters a number of undocumented persons who are in the United States without legal status. Many of these new arrivals need low cost housing and support services, many of which are centered in San Francisco.

Shelter providers for the homeless also assist homeless persons who are undocumented. These persons have an urgent need for shelter because they are ineligible for public assistance programs such as General Assistance. Most immigrants and refugees, regardless of immigration status, also need housing services that are provided in a multicultural and multilingual context.

8. Multi-generational and Large Households

Multi-generational households, such as families with children and/or grandparents, and other large households need housing with sufficient bedrooms to prevent overcrowding, a challenge in San Francisco because the City's housing stock tends to have fewer numbers of bedrooms (see Table I-26). The 2000 Census estimated that 145,200 or about 44% of all San Francisco households are family households (see Table I-5). Of these family households, 54,700 or 38%, include children. However, 63,900 households, or almost one in five San Francisco households, include a person under 18 years of age. About a quarter of all San Francisco households include one or more persons over 65 years of age. Over 11,300 family households, or 3%, are headed by a single mother.

The Census also showed that average family household size in San Francisco, 3.22 persons per household, is significantly larger than the average for all households (2.30 persons per household). Table I-48 below shows that over 29,000 family households or almost 20% of all family households have five persons or more. If a household consists of five or more persons, it is considered "large." Less than 1% of non-family households can be counted as "large."

TABLE I-48

Household Size, by Household Type

Number of Persons in Household	Household Type				TOTALS	% of Total
	Family	% of Total	Non-Family	% of Total		
1-person household	-		127,380	69.7%	127,380	38.6%
2-person household	60,014	40.8%	41,767	22.9%	101,781	30.9%
3-person household	32,430	22.0%	9,401	5.1%	41,831	12.7%
4-person household	25,685	17.5%	2,878	1.6%	28,563	8.7%
5-person household	13,506	9.2%	787	0.4%	14,293	4.3%
6-person household	7,522	5.1%	249	0.1%	7,771	2.4%
7-or-more-person household	8,029	5.5%	202	0.1%	8,231	2.5%
TOTALS	147,186	100.0%	182,664	100.0%	329,851	100.0%

Source: U.S. Census Bureau

Based on the current waiting list managed by the San Francisco Housing Authority, there is an estimated need of over 17,000 affordable housing units for low-income families. Two-thirds of these families require a two or three-bedroom unit due to their larger family sizes. The remainder is mostly senior households requiring one-bedroom units.

9. Low-Income Single Persons

A sizeable number of San Francisco households are comprised of single persons. In 2000, about 39% of all households were single persons, down from 41% in 1980. As cited elsewhere in this report, high housing costs may increasingly be forcing individuals to share housing.

Many low-income, single person households are housed in single room occupancy residential hotels (SROs). While the rate of loss of residential hotel units has diminished in the last decade, the stock of low-income residential hotel units is still being slowly depleted.

10. Students

Institutions of higher learning do not provide sufficient housing for their student populations. The University of California Medical Center has a student enrollment of 3,780 but only accommodates 178 single students and 130 students in family housing. San Francisco's State University had a student enrollment of 26,800 in 2000 but only provides 1,500 student housing units.

And, while enrollment at San Francisco City College's Phelan Campus totaled 25,000 students in 2000, it provided no student housing despite an estimated need for

approximately 1,000 units to adequately house this student population. Clearly student housing needs differ by institutional demographics, such as age, but universities and other institutions of higher learning must seek to provide affordable housing opportunities for more of their students.

11. Artists/Artisans

Artists have special housing needs for affordable accommodations that provide large wall space, high ceilings, lofts, lighting, and the ability to work at all hours of the day or night. There is high demand for such flexible space in the city, as many of San Francisco's artists live in apartment units not suitable for such activities. It was estimated that about 60% of San Francisco artists are lower income households, earning less than \$25,500 a year in 1990.

"Loft" units, or live/work spaces, were once attractive options for artists seeking such flexible accommodations. Live/work units frequently stemmed from converted industrial building space, with minimum retrofitting intended to maintain the unit's affordability. Newly constructed live/work units became very popular with the building community and prospective homebuyers in the latter part of the 1990s, and over 2,100 units were completed since 1990. However, these units have sold and rented at levels far out of reach of most artists, and it is estimated that little of the demand for flexible artist space has been met by these new units.

C. HOUSING PRESERVATION NEEDS

San Francisco has an older housing stock, with 75% of all units over 50 years old. This is the largest concentration of older housing stock in the state.

1. Private Housing Rehabilitation

Housing restoration, remodeling and maintenance is an on-going activity throughout the City. Renovation projects completed between 1990 and 1995 totaled 11,464, affecting 90,055 units. Between 1996 and 2000, these numbers dropped to 5,533 projects representing 34,577 units. However, issuance or approvals of alteration permits are again increasing. In 2000, the Department of Building Inspection approved or issued permits for 1,924 alteration projects affecting 20,220 units.

According to San Francisco Department of Building Inspection staff, serious rehabilitation needs are likely to be concentrated in the one and two unit structures, rather than in larger multi-family structures. This is shown by the fact that over 86% of projects in the last decade were for residential improvements in one and two unit buildings. Significant rehabilitation needs are also evident in many lower income multi-unit buildings and residential hotels.

2. Public Housing Rehabilitation

There are 5,941 public housing units in 47 developments located throughout the City. Recent and current programs will have revitalized 475 low-income and 173 moderate-income units by 2005. A recent Physical and Management Needs Assessment completed in Summer 2002, and performed by the San Francisco Housing Authority every 10 years, indicated that there is a backlog of immediate physical rehabilitation needs that will cost \$195 million. In addition, an average of \$26.6 million a year will be required to forestall physical deterioration in SFHA housing. Over the next 30 years, the SFHA will need a total of \$798 million to comprehensively address all of the physical problems that currently exist or will accrue during this period.

3. Seismic Retrofitting

There are approximately 11,850 units in 399 unreinforced masonry residential hotels and apartment buildings (UMB), most of which are occupied by low-income households. It is estimated that on average, it takes as much as \$45,000 per unit in public subsidies to rehabilitate and seismically upgrade these buildings and still maintain their low-income rent structure. Rehabilitation and seismic upgrade costs vary depending on the type of building, the level of retrofit, and the availability of construction expertise. In addition to the unreinforced masonry buildings, much of San Francisco's older housing stock is in need of some type of seismic upgrading, such as foundation bolting and structural reinforcement.

D. REPLACEMENT OF LOST UNITS

Demolitions, abatement enforcement, mergers and conversions, and fires all diminish the City's housing stock, and lost units need to be replaced. Table I-49 below anticipates losses based on previous trends.

TABLE I-49

Estimated Replacement Housing Needs, January 1999 - June 2006

Demolition and Replacement	1,500
Loss of Secondary Units	400
Unit Mergers	200
Conversion to Commercial Use	30
TOTAL	2,130

1. Loss of Units Through Building Demolition

Since 1990, building demolition has accounted for the loss of about 1,540 units. The unusually high numbers of units demolished in 1990 can be attributed to earthquake damage, while the demolition of some large public housing projects account for the substantial numbers in 1996 and 1997. New construction has since replaced much of the torn-down public housing projects. The implosion of the 576-unit Geneva Towers in 1998 lacked a certificate of completion from the Department of Building Inspection records and does not appear as having been carried out in official records. It has since been replaced by 240 low-rise family dwelling units and a 91-unit senior housing development.

2. Loss of Units Through Mergers

A slight decline in dwelling unit mergers (the combining of two units into one larger unit) followed the imposition of controls on such action in 1995. Between 1990 and 1995, 237 units, or an average of 40 a year, were lost in this fashion. However, in the last five years (1996 through 2000), only 192 units were merged to make larger dwelling units, a loss of about 38 units a year.

3. Loss of Illegal Secondary Units Through Code Enforcement

The total number of illegal, predominantly secondary, units has been estimated to be about 25,000. While many illegal secondary units may not meet existing code requirements, they still constitute a major supply of affordable housing. Some types of illegality, such as excess number of units permitted under zoning regulations, basement units with substandard ceiling heights, or units with severe egress problems cannot be remedied except by removal.

Between 1990 and 2000, 540 illegal secondary units were removed. The volume of complaints has been increasing, and it is estimated that in the future, 50 to 100 units per year will be removed because of code enforcement action. Based on a projected average loss of 75 units per year, it is estimated that about 400 units will be needed by June 2006 to replace these units.

4. Loss of Units from Conversions to Commercial Use

Fifty housing units were legally converted to commercial uses between 1990 and 2000. While the conversion of residential use to commercial uses has declined significantly from the high rates experienced in the late 1970s, illegal conversions are still a concern in a number of areas. Unfortunately, no reliable data can detail the extent of illegal conversions, but based on trends in the previous decade, at least 30 new housing units will be needed to replace housing lost to legal conversion to commercial use.

E. HOUSING AFFORDABILITY NEEDS

1. Affordability of New Housing Construction

State law requires that the City address the housing needs for all income levels. ABAG estimates housing need by income group to provide a basis for determining what income levels need to be most served by new construction. ABAG figures are based on income distribution of all existing households in the City and in the Bay Area. ABAG's estimates split the difference between the City and the regional figure in an effort to move the City closer to the regional income distribution. Table I-50 below shows that the

City must construct over 20,370 new housing units to meet its fair share of the Bay Area region's estimated housing need. At least 36% of these new units must be affordable to very low and low-income households. Another 28% should be affordable to households with moderate incomes.

TABLE I- 50

New Construction Housing Need by Income Category, (January 1999- June 2006)

	RHND* Allocation	Percentage
Very Low	5,244	25.7%
Low	2,126	10.4%
Moderate	5,639	27.7%
Above Moderate	7,363	36.1%
TOTAL	20,372	100.0%
*Regional Housing Needs Determination		

The high cost of housing leads to numerous troublesome effects including overwhelming rent burden (as more of a household's income is needed to go toward rent); overcrowding as more people squeeze into smaller affordable units to share costs; an increase in workers per household needed to pay mortgage or meet monthly rent; increased commuter traffic from San Francisco job holders who cannot afford to live in the City; and an increase in the homeless population.

2. Households Overpaying

Rising housing costs lead to overpayment as more of a household's income is spent on housing. Overpayment comes about when 30% or more of a household's income goes to paying rent; or in the case of homeownership household, 35% or more goes to mortgage

payments. A higher percentage of poorer households thus tend to overpay. Table I-51 shows that a higher percentage of renting households tend to overpay, while Table I-52 details the numbers of households overpaying by household income and tenure.

TABLE I-51

Percentage of Households Overpaying Housing Costs

Renter Occupied*	76,600	35.8%
Owner Occupied**	18,237	17.4%
All Households	94,837	28.8%

* Gross Rents as 30% or more of household income in 1999

** Monthly Owner Costs as 35% or more of household income in 1999

SOURCE: U.S. Census Bureau

TABLE I-52

Percentage of Households Overpaying by Household Income

HOUSEHOLD INCOME	Renters*		Homeowners**	
	No. of Households	% of Households	No. of Households	% of Households
Less than \$10,000	18,282	65.5%	2,308	68.5%
\$10,000 to \$19,999	18,186	74.8%	2,145	47.8%
\$20,000 to \$34,999	19,771	60.5%	3,009	37.6%
\$35,000 to \$49,999	11,265	36.3%	3,342	38.4%
\$50,000 to \$74,999	6,662	17.8%	3,899	27.6%
\$75,000 to \$99,999	1,759	7.6%	1,856	15.3%
\$100,000 or more	675	1.8%	1,678	5.8%
All Households	76,600	35.8%	18,237	17.4%

* Gross Rents as 30% or more of household income in 1999

** Monthly Owner Costs as 35% or more of household income in 1999

SOURCE: U.S. Census Bureau

3. Overcrowded Households

A household is considered overcrowded when there is more than one person per room in the dwelling unit. The 2000 Census reported that over 40,900 or 12% of all San Francisco households were overcrowded (Table I-53). Of these households, 9,400 (3% of all San Francisco households) are severely overcrowded, with more than 1.5 occupants per room. Renter households are also more likely to be overcrowded than home-owning households.

Table I-46 below, however, shows that Asian-American households make up a disproportionate number of overcrowded households. In addition, this table also shows that a substantial percentage of Native Hawaiian/Pacific Islander, Other Race, and Asian-American households are overcrowded. These households are likely to be larger (see Table I-4) and also poorer (see Tables I-21 and I-22). Typically, large households have difficulty in securing housing with three or more bedrooms, especially with the City's very limited stock of larger units. High housing costs also forces overcrowding. To afford the cost of housing, many low-income families crowd into smaller units. In some cases, two or three families might occupy a two or three bedroom apartment, or a flat.

TABLE I-53
Overcrowded Households, by Tenure

	Overcrowded		Severely Overcrowded	
Owner Occupied	11,291	9.8%	1,808	1.6%
Renter Occupied	29,630	13.8%	7,636	3.6%
All Households	40,921	12.4%	9,444	2.9%

Source: U.S. Census

TABLE I-54***Overcrowded Households, by Household Ethnicity***

	No. of Households	% of Households
White	9,452	4.7%
African American	2,495	10.5%
American Indian / Alaska Native	168	12.9%
Asian	21,452	27.1%
Native Hawaiian / Pacific Islander	358	39.6%
Other Race	5,046	39.4%
Two or More Races	1,950	16.5%
Hispanic / Latino	9,472	30.1%
ALL HOUSEHOLDS	40,921	12.4%

*Source: U.S. Census***4. Expiration of Subsidized Section 8 Rental Housing and Mortgage Subsidies**

As shown on Table I-41, over 2,000 low-income units are at risk of losing their Federal Rental Section 8 subsidies by 2005. A total of 3,300 units are subject to Federal mortgage expiration.

IV. INVENTORY OF LAND SUITABLE FOR RESIDENTIAL DEVELOPMENT

This section describes the City's inventory of land suitable for residential development and assesses the housing development potential of that land. This general estimate of the City's total housing potential was determined without specifying which sites may or may not be developed within the next five years.

San Francisco is already highly developed. It is also bounded on three sides by water, limiting its ability to expand outwards to meet the need for more housing. Because San Francisco has relatively few large undeveloped sites, this analysis is based on a cumulative examination of vacant and underdeveloped sites' potential development at less than the theoretical maximum capacity allowed under current zoning. Nevertheless, as many as 29,000 new housing units could potentially be built on numerous in-fill development opportunity sites under current zoning allowances. Table I-55 and Map I-5 indicate the general areas where this new housing could be sited under current zoning.

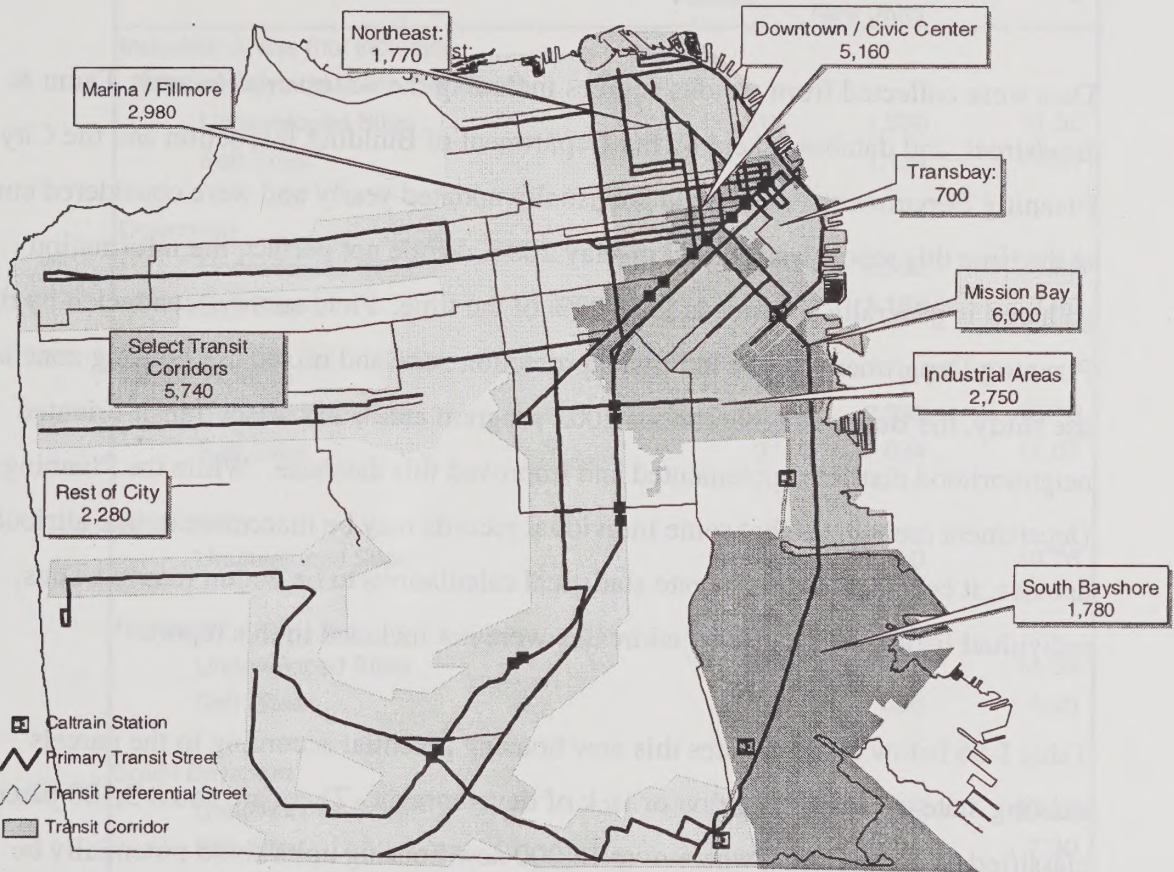
The individual areas shown on the Map refer to arbitrary boundaries for the purposes of aggregating and summarizing total housing potential under current zoning. The area shown as "Transit Corridor" is identified solely for the purposes of this accounting and not for any programmatic use.

TABLE I-55

Estimates of New Housing Construction Potential

	No. of Potential New Units
Industrial Areas (not including Mission Bay and South Bayshore)	2,754
Downtown	5,160
Marina Fillmore	2,984
Mission Bay	6,000
Northeast	1,774
South Bayshore	1,779
Transbay (not including Terminal)	716
Transit Corridors	5,744
Rest of City	2,279
TOTAL ESTIMATED HOUSING POTENTIAL	29,190

MAP I-5
Estimated Allowable Potential Housing Units in San Francisco



San Francisco City Planning Department / July 2000

For better map readability, please see document on-line at
http://www.sfgov.org/planning/citywide/c1_housing_element.htm

A. DETERMINING POTENTIAL HOUSING SITES

The housing potential estimates shown in Tables I-55 through I-57 were derived using a computer model based on an inventory of existing uses citywide. Terms and methods used in this assessment will be discussed below. A database listing all parcels in the City, along with current land uses, zoning designation, and development or lot improvements forms the basis of this evaluation. Land use information collected included type of use,

building square footage, number of stories, building height, lot area, floor area ratio, and other pertinent data. The parcels have also been identified by geographical divisions used by the City Planning Department to allow comparison of data over time.

Data were collected from various sources including the Assessor's Records, Dunn & Bradstreet, and databases kept by the Department of Building Inspection and the City Planning Department. These data are usually updated yearly and were considered current at the time this report was drafted in May 2001. While not perfect, the information gathered is generally accurate at least 90% of the time. Field surveys conducted by the Planning Department for the industrial protection zone and mixed use housing zone land use study, the Better Neighborhoods 2002 program areas, and select transit-oriented neighborhood district supplemented and improved this database. While the Planning Department recognizes that some individual records may be inaccurate in one attribute or another, it considers the aggregate statistical calculations to be within reason. Thus, individual listings of parcels by addresses were not included in this report.

Table I-56 below disaggregates this new housing potential according to the parcels' existing state of underutilization or lack of development. There are about 3,300 parcels classified as undeveloped where over 18,000 new housing units could potentially be erected. In addition, Mission Bay has been slated to accommodate 6,000 new units. Another 237 lots are also seen as developable for residential uses, possibly yielding almost 5,150 new units.

Table I-56
New Housing Construction Potential: Undeveloped Sites and Soft Sites

	No. of Parcels	No. of Potential New Units	No. of Acres
Industrial Areas (not including Mission Bay and South Bayshore)			
Undeveloped Sites	212	1,630	31.30
Soft Sites	47	1,124	17.97
Downtown			
Undeveloped Sites	116	3,992	24.82
Soft Sites	24	1,168	7.90
Marina Fillmore			
Undeveloped Sites	383	2,350	48.76
Soft Sites	37	634	11.07
Mission Bay			
Undeveloped Sites		6,000	48.76
Northeast			
Undeveloped Sites	124	1,186	14.26
Soft Sites	15	588	4.95
South Bayshore			
Undeveloped Sites	335	1,483	59.32
Soft Sites	11	296	7.30
Transbay (not including Terminal)			
Undeveloped Sites	52	558	11.18
Soft Sites	10	158	1.98
Transit Corridors			
Undeveloped Sites	1,145	4,670	154.21
Soft Sites	74	1,074	22.88
Rest of City			
Undeveloped Sites	943	2,174	107.83
Soft Sites	19	105	2.39
Undeveloped Sites Subtotal	3,310	24,043	451.68
Soft Sites Subtotal	237	5,147	76.44
TOTAL	3,547	29,190	528.12

B. TERMS AND METHODOLOGY

Terms:

The terms used in the tables are explained below:

- ***Housing Potential Sites:*** These are sites suitable for residential development based on criteria and site analyses of each district in the City. They consist of “undeveloped” parcels and “soft sites,” which are determined appropriate for residential development based on database analyses and preliminary surveys. Proximity to transportation, parks, potential hazardous waste problems, views, and, in the case of predominantly non-residential districts’ adjacency to residential uses, also supported suitability of these sites for residential development.
- ***Undeveloped Land:*** If actual development on a parcel is 5% or less of the potential development, it is considered “undeveloped.” This criterion thus includes unimproved or undeveloped lots used for open storage, parking, or other open air uses. Large lots with very small buildings also fit under this calculation. These sites theoretically could be readily developed for residential use.
- ***Soft Sites:*** A second category of housing potential sites includes parcels which exceed 5% of potential development but were considered reasonable candidates for redevelopment. These include sites with older, obsolete buildings, unsafe buildings, and building uses that significantly underutilize the site. These sites may have structures that could be reused or rebuilt for residential use.
- ***Build-Out Capacity:*** This is the theoretical build-out capacity if undeveloped and underdeveloped sites are built to the maximum limits set by currently permitted residential densities. Unit figures for “build-out capacity” are larger than

“estimated potential” because the former does not take into account the additional limitations on the number of units that can be built which result from height and bulk controls, as well as other rules modifying building size.

General Approach

Current development is estimated at the parcel level and measured against potential development or build-out capacity to identify possible development sites. Residential development is measured by number of units and translated into square footage. Commercial uses are measured in square footage. In zoning districts where more than one use is permitted, two possible assumptions were applied: a) a set percentage of development will be residential use and the remainder commercial; b) one use predominates, with the remaining building envelope assigned to other uses. Sites in the current development pipeline, parcels measuring less than 1,500 square feet, lots within the industrial protection zones, as well as most publicly owned sites, were excluded from this model.

Specific Approach by Zoning

Six different development assumptions were applied to parcels based on general zoning designations. Assumptions and development standards adjustments used to calculate build-out capacities for each parcel are detailed in Appendix D.

- **C-2:** All commercial development is assumed in this district, determined by the allowed floor-to-area ratio (FAR) and constrained by height limits. Residential development was not assumed on these parcels.
- **Downtown:** In all C-3 and C-M districts, it is assumed that the primary use will be commercial, controlled by the FAR. Remaining development rights within the height limit envelope is assigned to residential uses.

- **Industrial and South of Market districts:** It is assumed in these districts that a certain proportion of the lots will be developed as residential (primarily loft-type housing) and the remaining will be devoted to commercial use.
- **Multi-Use:** This covers all Residential-Mixed (RM) districts. It assumes one primary use – residential – with no secondary use. Residential density limits determine the number of units, constrained by the height limit.
- **Resident:** This assumes housing as the sole use in all residential (RH) districts. This scenario also assumes one unit for each RH-1 lot, two units for RH-2, and three units for RH-3, lot areas notwithstanding.
- **Mixed:** All neighborhood commercial districts and the Chinatown Mixed Use districts are assumed to have commercial as the primary use, built-out based on the FAR, with residential as a secondary use, built-out to residential density limits. Residential development, however, is trimmed down based on the height limits.

It should be noted that the assumptions used in this model result in conservative estimates. The Planning Department limited its assessment of potentially developable lands to such sites with little or no lot improvements, although new housing construction can and has occurred in sites with higher percentages of existing development or viable uses. Market pressures can push housing development in parcels that may have current uses that exceed 30% or even 50% of its zoned potential.

Table I-57 categorizes the housing opportunity sites by zoning districts and lists the build-out capacities of potential housing sites according to permitted residential densities.

TABLE I-57

New Housing Construction Potential by Zoning Districts

Zoning District	Undeveloped Sites			Soft Sites			Total			Zoned Density per Acre	Build-Out Capacity	
	No. of Parcels	Estimated Potential	Area (Acres)	No. of Parcels	Estimated Potential	Area (Acres)	No. of Parcels	Estimated Potential	Area (Acres)			
Residential Zoning Districts												
RH-1	1,289	1,289	137.26	-	-	-	1,289	1,289	137.26	14	2,153	
RH-2	704	1,408	71.18	6	6	0.67	710	1,414	71.85	39	3,161	
RH-3	471	1,412	37.98	27	32	1.79	498	1,444	39.77	43	1,832	
RM-1	117	1,882	47.05	16	235	6.03	133	2,117	53.08	54	3,361	
RM-2	27	342	6.45	3	179	2.91	30	521	9.36	72	717	
RM-3	23	210	3.35	3	11	0.22	26	221	3.57	108	753	
RC-3	2	32	0.38	1	2	0.06	3	34	0.44	108	47	
RM-4	17	391	2.49	5	291	1.79	22	682	4.28	217	963	
RC-4	44	985	7.87	9	515	3.95	53	1,500	11.82	217	2,564	
Total	2,694	7,951	314.01	70	1,271	17.41	2,764	9,222	331.42		15,552	
Neighborhood Commercial Zoning Districts												
NC-1	35	207	4.01	12	140	3.31	47	347	7.32	54	402	
NC-2	69	1,179	21.70	25	342	7.93	94	1,521	29.63	54	3,309	
NC-3	36	1,108	22.93	107	271	6.48	143	1,379	29.41	72	2,272	
NCD	67	727	10.34	14	162	2.30	81	889	12.64	54	740	
NC(S)	10	333	4.88	3	259	3.62	13	592	8.50	108	933	
Total	217	3,554	63.86	161	1,174	23.64	378	4,728	87.50		7,656	
Mixed Use Districts												
Chinatown	7	90	0.71	2	77	0.47	9	167	1.18	217	256	
RSD	41	406	4.14	2	9	0.09	43	415	4.23	217	928	
SLI	20	83	2.23	2	6	0.18	22	89	2.41	217	566	
SLR	28	83	2.26	10	68	1.62	38	151	3.88	217	884	
SSO	4	148	2.58	2	58	1.43	6	206	4.01	217	869	
Total	100	810	11.92	18	218	3.79	118	1,028	15.71		3,503	
Downtown Commercial Districts												
C-3-G	48	1,947	10.29	11	1,125	6.45	59	3,072	16.74	348	6,874	
C-3-O	39	191	6.45	16	66	2.36	55	257	8.81	348	3,745	
C-3-R	3	19	0.95	-	-	-	3	19	0.95	348	331	
C-3-S	25	1,906	4.27	8	506	2.09	33	2,412	6.36	348	2,309	
C-M	44	167	8.70	2	21	0.84	46	188	9.54	217	2,205	
Total	159	4,230	30.66	37	1,718	11.74	196	5,948	42.40		15,463	
Industrial Districts												
M-1	54	884	18.60	7	295	6.66	61	1,179	25.26	54	1,364	
M-2	19	614	14.56	11	471	11.26	30	1,085	25.82	54	1,911	
Total	73	1,498	33.16	18	766	18	91	2,264	51.08		3,275	
Mission Bay												
	-	6,000	-	-	-	-	-	6,000	-			
Total	-	6,000	-	-	-	-	-	6,000	-			
TOTALS	3,243	18,043	454	304	5,147	75	3,547	29,190	528.12		45,450	

C. SUITABILITY OF IN-FILL HOUSING DEVELOPMENT UNDER EXISTING ZONING

Residential development is allowed as-of-right in most of the City's zoning districts. All residential and residential-commercial (RH, RC and RM) districts permit dwelling units. Housing is also permitted in most of the South of Market's mixed-use districts and all of the mixed-use districts in Chinatown. Downtown and commercial zoned districts also allow for residential development. In the neighborhood commercial districts, housing is allowed but generally encouraged above ground floor in new construction projects. Housing development is a conditional use in industrial districts and the South of Market's Service and Secondary Office (SSO) district. The only zoning district wherein housing projects are not permitted unless it is affordable to low-income households is in the South of Market's Service-Light Industrial (SLI) district.

Residential uses in San Francisco include emergency shelters, transitional housing, and other types of group housing. While group housing is not permitted in low density, single-family residential districts and the South of Market's residential enclave districts, they are accommodated in the moderate density residential, downtown, commercial, and neighborhood commercial districts. Such uses are also allowed on a conditional basis in low-medium density residential districts, the industrial districts and most South of Market districts.

All parcels considered in this estimate meet the minimum lot requirement for development. At least 120 of these parcels are vacant or undeveloped, and cover half an acre or more. Most non-profit developers of affordable housing consider 0.5 acre as the minimum lot size necessary to meet economies of scale. Altogether, these larger parcels, which average 1.4 acres each, can accommodate some 6,900 new housing units.

D. LOCATING NEW HOUSING DEVELOPMENT IN EXISTING NEIGHBORHOODS AND PLANNED AREAS

As Table I-49 above shows, residential districts contain a substantial number of undeveloped lots. Locating new housing development in these districts makes sense, as housing should go where other housing already exists. These in-fill sites are scattered throughout all residential neighborhoods and construction of additional units will have very minimal cumulative effect on infrastructure needs. The build-out assumption for these districts also takes into account typical housing types (single-family homes in RH-1, for example), there would be little impact on the neighborhoods' residential character.

Neighborhood commercial districts are also ideal for additional housing because of these neighborhoods' proximity to transit and services. Typically, the calculation assumes upper storey development, above commercial uses, although height limits in some neighborhood commercial districts may have a dampening effect on residential development.

Downtown districts are similarly ideal for residential development given proximity to jobs and transit. The higher densities allowed under current zoning in these districts could bring almost 6,000 new units. Some industrial lands may be more suitable than other industrial sites for residential development based on its proximity to existing residential districts and transit. At least 2,300 units can be accommodated in these industrial lands.

The City's mixed-use districts in Chinatown and South of Market are generally built up and yielded smaller numbers of developable sites. However, with higher densities allowed in these areas, in-fill development could accommodate at least an additional 1,000 more units.

The Mission Bay Plan, adopted and being carried out by the San Francisco Redevelopment Agency, envisions a new neighborhood arising from one of the City's few vast and underused vacant industrial tracts. Projected land uses include a mix of housing and job opportunities. Mission Bay North will accommodate 3,000 units of housing while Mission Bay South will have 3,090 units. At least 1,000 of these units will be realized within the next five years.

Hunters Point Shipyard, another redevelopment project, will involve re-use of the 500-acre former military base. The Redevelopment Plan sees the decommissioned shipyard transformed into a mini-city with housing, job opportunities and recreational uses. The residential component of the 25-year, three-phase Redevelopment Plan will bring about some 1,600 new housing units in the proposed Hills Neighborhood. The first residents of the redeveloped sites are expected to move in by 2006 at the earliest.

E. REALIZATION OF HOUSING POTENTIAL

1. Projects in the Pipeline

Housing projects move through a multi-tiered approval process. A development proposal is first reviewed by the Planning Department for compliance with the Planning Code and consistency with the General Plan. The project then goes through review by the Department of Building Inspection (DBI) for approval and issuance of a building permit. Once construction is finished and the project passes inspection by DBI, it is issued a certificate of final completion. Only when a project receives a certificate of final completion can the housing units be officially counted as part of San Francisco's housing stock.

As of March 1, 2001, the City Planning Department was reviewing 88 projects, comprising of 4,801 residential units. At that time, 153 projects, consisting of 1,792

units, had been approved by the Planning Commission but had yet to apply for building permits. Additionally, the Department of Building Inspection was reviewing 192 applications for 1,300 units. A total of 2,747 units in 279 projects had received Planning Department approval and had building permits issued or approved. A number of these projects have already started construction, and several are nearly complete, but are yet to receive DBI's certificate of final completion. It is also possible that some of these projects have not gone forward due to shifts in economic and legislative conditions.

For the purposes of this report, the new housing construction pipeline consists of projects that have been approved by the Planning Department and have been approved or filed permit applications with DBI. As of March 1, 2001, the new housing construction pipeline totaled 4,047 units. It should be noted that project applications and permitting activities in the near future could increase the number of new housing production in the next five years.

TABLE I-58
New Housing Construction Pipeline

NEW HOUSING CONSTRUCTION PIPELINE		
	No. of Projects	No. of Units
Building Permit Applications Filed	192	1,300
Building Permits Issued or Approved	279	2,747
Total Pipeline	471	4,047

2. Housing in Residential Areas

Housing development on remaining vacant, residentially zoned sites will continue as market pressure intensifies to build on available residential sites throughout the City. These sites generally have low or moderately low density residential-house zoning

designations (RH-1, RH-2 or RH-3), which permit only one, two or three units per lot in most cases. Most housing – especially family housing – is already located in these residential districts. It is estimated that there is an infill housing potential of approximately 2,700 units on vacant and underutilized RH-1 and RH-2 parcels, which allow for single-family and duplexes, respectively. Typical densities range from a maximum of 14 units per acre for RH-1 districts and 39 units per acre for RH-2. An additional 1,440 can also be accommodated in RH-3 parcels that allow for development of triplexes at about 43 units per acre density.

Residential mixed districts (RM) and residential commercial combined districts (RC) permit non-residential uses but remain predominantly residential in character. These areas are generally adjacent to commercial zones and can have intense, compact development. Medium density residential districts typically contain a mixture of dwelling types found in RH districts but have a significant number of apartment buildings. Over 2,100 new units can be developed in low-density residential mixed districts (RM-1). This zoning category allows for a maximum of 54 units per acre. About 520 and 220 additional new units can be in the RM-2 and RM-3 districts respectively. Over 1,500 new units can be in-fill development in RC districts ringing the City's downtown core, where higher densities – 108 units per acre in RC-3 and 217 units per acre in RC-4 – are permitted. All told, there is the potential for 6,500 new units on vacant or underutilized parcels in these medium- and high-density residential zones.

3. Housing in Neighborhood Commercial Districts

Both Planning Code regulations and General Plan policies encourage housing over commercial spaces in districts throughout the City. More recently, regional and national interest in transit-oriented development has grown considerably. The close proximity of neighborhood commercial districts to transit preferential streets make in-fill sites in these districts particularly suitable for development. There is also a proven strong market for

mixed-use development. Mixed-use projects, with commercial and residential components, accounted for a significant amount of the new building construction between 1990 and 2000. Opportunity sites in neighborhood commercial districts cover over 90 acres of land in the City. This represents the potential for roughly 4,800 new housing units over ground floor commercial spaces.

4. Better Neighborhoods Program

The Better Neighborhoods 2002 Program was initiated by the Planning Department to address the City's related housing and transportation challenges. It seeks to do so by strengthening the linkages between land use and transportation planning, so that each one effectively supports the other. Market and Octavia, Balboa Park, and the Central Waterfront were chosen as three pilot neighborhoods and selected to serve as a model for other areas in the City. These neighborhoods' proximity to transit and essential services, are ideal for additional housing, including units in upper storeys above commercial uses. Combined, these three areas could represent between an additional 6,200 to 14,400 units in potential housing opportunity sites.

- a. *Market and Octavia:* The proposed Market and Octavia Neighborhood Plan envisions new housing as a driving force in the strengthening and overall improvement of the area. There is enormous potential for new housing here especially with the removal of the Central Freeway and construction of Octavia Boulevard. The freeway demolition will release about seven acres of land on 22 publicly owned parcels and an estimated potential housing development capacity of some 900 units. Approximately one-half of these public lands have been earmarked for affordable housing, including a substantial amount of senior housing.

The land inventory survey and potential housing estimates described on pages 70-81 included about 2,045 units in the Market and Octavia Neighborhood Plan area. This tally included a number of the Central Freeway parcels. The Market and

Octavia Neighborhood is estimated to have the physical capacity for new housing development ranging from 7,500 to 13,000 under proposed new zoning standards.

- b. *Balboa Park*: New housing development under the Balboa Park Neighborhood Plan's proposed zoning could mean some 800 to 3,150 units. This includes as much as 1,000 new units with the development of the surplus reservoir land; and another 1,050 units on MUNI and BART parcels as well as in-fill development on Ocean Avenue. The land inventory of this area, using current zoning thresholds, resulted in an estimated housing potential of about 485 units.
- c. *Central Waterfront*: The Central Waterfront Neighborhood Plan allows for the potential development of about 1,100 to 1,500 new housing units. While the land inventory survey estimated the potential capacity of the area's vacant and underdeveloped parcels to be about 760 units, the Central Waterfront – including much of its “vacant” or underdeveloped parcels – hosts a variety of viable production, distribution and repair activities. Furthermore, environmental and urban design concerns also discourage development of new housing near freeways or power plants. For example, perceptions of environmental hazards cause apprehension about siting housing near the Potrero Power plant located in an eastern spur of this neighborhood. However, if the power plant is eventually phased out over time and toxic matters alleviated, its site could accommodate a new neighborhood of as much as 1,500 to 2,000 units of housing. Should Muni consolidate or relocate its Wood facility, about eight acres of public lands could be released for development. This site, adjacent to the 22nd Street CalTrain Station and at the end of the Dogpatch's main neighborhood commercial street, makes it ideal and appropriate for high-density, mixed-use residential development and can accommodate about 1,000 new units.

5. Housing in Industrial Areas and the Eastern Neighborhoods

A significant portion of new housing construction (25%) over the last 11 years occurred in the areas south of Market Street. These industrially zoned parts of the City provided a ready supply of flexible and inexpensive industrial space well suited for conversion to office space required by dot-com start-ups. At the same time, these same areas became highly desirable residential locations, especially for live/work or loft-style housing. Many traditional occupants of industrial space – notably production, distribution and repair businesses (PDR) – were displaced by rising rents brought on by new office and residential uses. Conflicts between new residents and remaining businesses, especially over noise and smells associated with many PDR activities made it difficult for businesses to operate. Some businesses found space elsewhere in San Francisco, many others left the City altogether, and a number went out of business.

Interim zoning controls and Planning Commission policies underscored the importance of retaining PDR activities and encouraging these uses on certain industrially zoned parcels while permitting housing and mixed-use activities on other industrially zoned parcels. Current community planning in the Eastern Neighborhoods, where most industrially zoned lands are located, will result in new zoning controls that define uses permitted on these parcels. Vacant and underutilized parcels in the interim mixed-use housing zones total 70 acres and have the potential for about 2,700 new housing units. Proposed re-zoning scenarios estimate an additional potential of 12,100 to 24,400 new housing units in industrial lands.

The table below details the estimated additional potential capacity with re-zoning to be introduced in the Better Neighborhoods Program and Eastern Neighborhoods Community Planning Area processes. Completion of these two initiatives could increase these neighborhoods' capacity by some 18,300 to 38,800 more housing units.

Table I-59
Estimated Housing Potential With Proposed Re-Zoning of Select Neighborhoods

Area	Under Current Zoning			With Proposed Re-Zoning*	
	Undeveloped	Soft Sites	Total Estimate	Total New Estimate	Additional Potential Units with Re-zoning
Better Neighborhoods Program					
Balboa Park	276	210	486	800 to 3,150	314 to 2,664
Central Waterfront	317	367	684	1,100 to 1,500	416 to 816
Market & Octavia	1,470	575	2,045	7,500 to 13,000	5,455 to 10,955
Sub-Total	4,515	1,152	3,215	9,400 to 17,650	6,185 to 14,435
Eastern Neighborhoods Community Planning Area					
South of Market	1,112	266	1,378	6,000 to 11,400	4,622 to 10,022
Mission	961	128	1,089	4,600 to 6,600	3,511 to 5,511
Potrero / Showplace Square	321	25	346	3,800 to 6,900	3,454 to 6,554
South Bayshore	1,731	296	2,027	1,800 to 3,600	- 227 to 1,573
Visitation Valley	390	183	573	1,313	740**
Sub-Total	4,515	898	5,413	17,513 to 29,813	12,100 to 24,400
TOTALS	9,030	2,050	8,628	26,913 to 47,463	18,285 to 38,835

* Re-zoning proposals include a range of scenarios.

** Re-zoning of the Schlage Lock site.

6. Housing on Public Land

Most San Francisco city agencies do not own large tracts of land that do not serve as part of their stated mission. There are occasional exceptions, for example when new technology results in operational changes or when departmental objectives change over time. A few city agencies, notably MUNI and the San Francisco Unified School District, have found over time that some of their parcels can be disposed of or can be utilized for a mixture of other uses.

a. San Francisco Municipal Railways: MUNI, in particular, has been exploring new uses for its surplus sites where future housing development might be possible.

1. Phelan Loop – Alternative use options are being explored for MUNI property near Balboa Park as part of the Better Neighborhoods 2002 program. The 1.4-acre Phelan Loop (Ocean and Phelan Avenues) is currently used to park buses from the 49-Van Ness and 15-Third Street lines. This site has the capacity to accommodate ground floor commercial uses and some 80 dwelling units.

In addition, MUNI and Bay Area Rapid Transit (BART) properties collectively called Upper Yard and BART Station area, with some in-fill development along San Jose Avenue can together have capacity for some 400 new units.

2. Presidio Trolley Division (at Geary and Masonic) – covers 5.4 acres and services about 170 trolley coaches. It is an attractive location for retail, office and housing development. This site may be vacated if plans for a new city office building around the Civic Center turn out.
3. Woods Facility (adjacent to the 22nd Street CalTrain Station) – at the end of the Dogpatch's main neighborhood commercial street, this x.x acre site is ideal for high-density, mixed use residential development. It lies within the Central Waterfront Better Neighborhoods program area and is estimated to have a housing potential capacity of about 1,000 new units.
4. Potrero Yard (Mariposa and Bryant) – currently housing about 180 trolley buses on 4.4 acres. MUNI is looking at a multi-story parking garage above the yard, or market-rate and affordable housing.

b. San Francisco Unified School District (SFUSD) / San Francisco Community College District (SFCCD): The SFUSD is currently preparing a Facilities Master Plan that will identify possible surplus land that could become available for housing development. Also, both the San Francisco Community College District and the Public Utilities' Water

Department have interests in the Balboa reservoir site. The reservoir is also within the Planning Department's Better Neighborhood study area. Estimates put 575 to 1,000 new housing units in this 25-acre site.

c. Central Freeway Parcels: As noted above, demolition of the Central Freeway will free up some seven acres of public lands for residential development. The freeway parcels have an estimated housing development potential capacity of 900 units. About half of these public lands will be dedicated to affordable housing.

VI. CONSTRAINTS TO HOUSING PRODUCTION AND CONSERVATION

Housing development in California is a complex and lengthy process. San Francisco in particular is one of the more challenging environments to build housing. Factors including high land and construction costs, protracted entitlement and permitting processes, and organized opposition pose real obstacles to developing housing in San Francisco.

One result of this difficult landscape has been the development of new housing in areas not fully appropriate for residential development, such as in predominantly industrial areas without the sufficient services and social infrastructure to support a pleasant and vital neighborhood. In meeting the City's housing goals, it is important to focus on areas that can absorb new development in the context of creating viable neighborhoods. Section IV, "Inventory of Land Suitable for Residential Development," discussed locations where the potential for new housing exists. Section VII, "Approaches and Resources to Meet Current and Future Housing Needs," describes policies and programs that the City is using, or can consider, to encourage appropriate housing development to meet its housing needs.

A. NON-GOVERNMENTAL CONSTRAINTS

1. Land Availability and Costs

Much of San Francisco exhibits an established, relatively dense development pattern and is considered by many to be substantially built-out. While there are parcels of land still potentially available for development (see Tables I-55 through I-57), San Francisco's land market on the whole, is quite tight. Both market-rate and affordable housing developers report that acquiring sites for housing in the City is a challenge. The City's finite supply of land, coupled with strong development pressure, means that landowners can expect high prices for parcels they own, if they choose to sell for housing development at all.

Some property owners are satisfied with the state of their lands' development. Institutions, for example, may keep surface parking uses to support other adjacent properties' more intense uses. Similarly, building owners may keep smaller but profitable commercial buildings instead of fully developing their properties. Furthermore, except in purely residential zoning districts, housing developers must compete with other potential users. If it is more profitable for a landowner to hold or sell land for a commercial project, the land will not be available for housing. Private vacant or underdeveloped lands identified as housing opportunity sites will only see development if landowners decide to sell, and the prices they demand from housing developers will allow for profitable development.

Below is a table of average sales price per square foot of vacant lands sold between 1997 and 2001. It shows that vacant lands in the industrial zones and the South of Market Mixed Use Districts were the least expensive and sold, on average, at just over \$22 a square foot. These areas' lower priced lands made for the mid- to late 1990s' rapid and often detrimental incursions of housing into still viable industrial districts.

Single-family zoned districts, where typically one unit is permitted per lot, cost on average just under \$24 a square foot. Vacant parcels in moderately low density residential zones (where duplexes and triplexes are permitted) and the neighborhood commercial districts and residential mixed districts (where multi-family housing units are generally located), averaged \$37 and \$42 per square foot respectively. The costliest vacant lots sold recently were in the downtown commercial zones – which allow land uses more profitable than residential uses – averaging \$136 per square foot. Vacant lots in the densely built Chinatown districts bordering downtown had sold, on average, just over \$79 per square foot.

TABLE I-60
Average Price per Square Foot of Vacant Lands Sold, 1997-2001

ZONING DISTRICTS		No. of Transactions	Average Price per Sq. Ft.
Residential Districts			
	RH-1, RH-1 (D)	44	\$ 23.83
	RH-2, RH-3	26	\$ 37.03
Neighborhood Commercial and Residential Mixed Districts			
	RM-1, NC-1, NC-2, NC-3, NCDs, C-2	22	\$ 41.96
Downtown Commercial and Chinatown Mixed Use Districts			
	C-3-G, C-3-O(SD), RC-4	9	\$ 136.15
	CCB, CRNC	2	\$ 79.41
Industrial and South of Market Districts			
	M-1, M-2, RSD, SLI, SLR, SSO	25	\$ 22.33

Source: Assessor's Office

Though specific land costs varied greatly depending on an area's location and underlying zoning, the price of land is a major component of a developer's overall cost of producing housing. (See Table I-61 below.) A 2001 City Planning Department study* that explored options for an inclusionary housing policy compiled cost information from a variety of

* A Review of the Inclusionary Affordable Housing Policy, October 11, 2001.

data sources. It showed that land for housing development in San Francisco often cost between \$40,000 and \$60,000 per unit, depending on the size and type of development. Some developers, however, have reported land costs in their projects at levels up to \$100,000 per residential unit.

2. Housing Development Costs

The fast-growing economy in the mid- to late-1990s generated a boom in building, pushing demand for construction materials and labor costs. In addition to high land costs, other direct costs of building new housing – the cost of labor, of construction materials and contractor fees – thus escalated. Steep construction costs are generally seen as a major constraint on housing development and especially impacts affordability. The same study cited above estimated that in 2000, total development cost for an average two-bedroom condominium totaling 850 sq. ft. was about \$297,500 a unit or \$350 per square foot. Table I-61 below breaks down these costs to direct (or hard) costs such as building construction, and indirect (or soft) costs such as entitlement fees and financing and insurance charges.

TABLE I-61***Estimated Multi-Family Housing Development Costs Per Unit, 2000***

Direct Costs			% of Total Costs
	Land Cost	\$ 54,410	18.3%
	Building Construction	150,000	50.4%
	Parking Space Construction	16,800	5.6%
	Builder's Fee	29,482	9.9%
Total Direct Costs		\$ 250,692	84.3%
Indirect Costs			
	Planning and Entitlement Fees	\$ 5,004	1.7%
	School Impact Fees	1,700	0.6%
	Building Permit Fees	675	0.2%
	Architecture and Engineering	550	0.2%
	Developer Project Management	5,004	1.7%
	Developer Asset Management	2,975	1.0%
	General and Administrative	1,668	0.6%
	Financing and Charges	10,008	3.4%
	Bonds and Fees	3,336	1.1%
	Marketing	4,463	1.5%
	Commissions	8,925	3.0%
	Insurance	2,500	0.8%
Total Indirect Costs		\$ 46,808	15.7%
TOTAL DEVELOPMENT COST		\$ 297,500	100.0%
Total Cost per Square Feet (Average Net Unit Size: 850 sq ft)		\$ 350	

Source: Economic Planning Systems

The estimate above assumed a typical San Francisco four-story-high wood stick frame residential construction over a concrete podium. Land cost, in this estimate was spread over 256 total units in the project, came to \$54,410 or just over 19% of total development costs. Construction costs, without parking, took up over half of the costs of developing housing. Providing parking, in this case one parking space per unit, cost \$16,800 or

about 6% of total development costs. Construction costs will necessarily vary with the quality of materials and type of construction.

In this estimate, planning, entitlement and other permitting fees – to be discussed in a separate section – totaled less than 3% of development costs. Specific site conditions may also add to the cost of new housing construction. For example, building demolition that may be required with the re-use of a site; toxic waste clean-up to mitigate chemical contamination in some former industrial sites; increased foundation costs in potentially seismically unstable soils.

3. Infrastructure

San Francisco's current housing stock is approximately 340,000 units. The housing goal that has been set for San Francisco County by the California Department of Housing and Community Development and the Association of Bay Area Governments is 20,372 units by 2006. This represents an increase of approximately 6%. The capacity of the City's infrastructure including water, sewage treatment, and utility services is generally not a constraint to meeting San Francisco's housing goals. Many potential development sites are in areas that are well-served by the existing infrastructure. New district plans or large projects may require additional local infrastructure improvements.

The San Francisco Public Utilities Commission's (SFPUC) *Final Urban Water Management Plan* (UWMP, February 2001) projects water demand from residential and commercial customers. While the SFPUC does project an increase in total demand, it also expects residential water use to decline, even as population increases, because of increased conservation measures and efficiency. The UWMP projects sufficient water supply in normal years, though during drought years demand will exceed supply. The SFPUC is beginning the implementation of a 13-year Capital Improvement Program approved by the voters of San Francisco in the November 2002 General Election as Proposition A. The \$3.6 billion Capital Improvement Program will ensure that safe and

reliable drinking water service will be provided to meet projected San Francisco retail customer demand anticipated in the UWMP and the Water Supply Master Plan (April 2000).

The Capital Improvement Program will maintain compliance with state and federal drinking water standards while ensuring that the system will be functional in the event of a natural disaster, and will attempt to provide adequate water supplies during drought conditions. The SFPUC also has an on-going program to repair and replace outmoded and aging components of the City's water delivery and distribution infrastructure.

The SFPUC has committed to a number of programs to reduce water demand, which are described in greater detail in the UWMP. The SFPUC is also initiating a program to update its Recycled Water Master Plan to substitute recycled water for certain non-potable water uses in order to make more water available for potable use.

In 1997, the City completed a 20-year program to upgrade its wastewater treatment system to bring it into full compliance with federal and state clean water regulations. Because San Francisco has a combined sanitary and stormwater system, the largest volume of wastewater occurs during wet weather. The Water Pollution Control Division of the SFPUC reports that treatment capacity is available to serve expected growth. However, there are areas where local sewers, which transport waste to the treatment system, may be inadequate. The SFPUC will soon begin a public process to update the completed Clean Water Master Plan to identify the future course of the City's wastewater and storm water collection and treatment system, including repair or replacement of structurally-inadequate sewers to address localized flooding problems. New area plans or large projects may need local infrastructure improvements to connect to the City's system.⁴

⁴ Gene Handa, Sanitary Engineer, San Francisco Department of Public Works, Bureau of Engineering. Telephone Conversation, May 11, 2001.

San Francisco's solid waste is transferred to the Altamont Landfill, in Alameda County. In 1988, the City signed a long-term disposal agreement that provides for the disposition of up to 15 million tons of solid waste at Altamont. As of January 1, 2000, approximately 7.1 million tons of this capacity had been used, leaving a balance of 7.9 million tons. At the current rate of disposal, the city's capacity is sufficient through 2008. The Solid Waste Program is actively working to increase recycling, resulting in less disposal at the landfill. The program hopes to achieve recycling rates that would extend the capacity of the landfill until 2011.⁵

Despite recent supply problems, future gas and electricity supply should meet projected needs. Pacific Gas and Electric Company (PG&E) has filed a "Load Forecast" for San Francisco through 2009 with the San Francisco Public Utilities Commission. This forecast is the basis for capital and operating plans, and covers both residential and commercial demand. PG&E is planning for a 35% increase in demand between 1999 and 2009.

4. Availability of Open Space

Most of the City's existing public open space is on the western side of the city. However, a considerable amount of the recent housing construction, and much of the housing potential, is downtown, close to downtown, or on the eastern side of the City. New households in these areas will need open space and recreational opportunities. Recent planned areas have included additional open space for their new residents. For example, the Mission Bay project will include new public open spaces to serve the residents of its 6,000 new units and those of surrounding areas. The Rincon Point-South Beach Redevelopment area includes two new shoreline parks. As new areas are planned for housing, additional open space will need to be provided and should be included as part of future redevelopment plans, area plans, rezoning provisions, and subdivision projects.

⁵ This information is on the Solid Waste Program's website: www.sfrecycles.org.

5. Access to Commercial and Other Services

Many of the areas where new housing is likely to occur offer a rich mixture of uses that can readily serve new residents. Additionally, much of the future housing development will be in mixed use projects that will include local serving commercial activities. If these new, larger scale developments are well planned and designed, the additional residents and businesses will enrich existing neighborhoods nearby. Major new housing developments that are isolated from requisite services do not create livable neighborhoods, and can contribute to citywide transportation problems. Plans for new neighborhoods, and specific plans for improving existing areas, must respond to the commercial and service needs of new residents.

B. GOVERNMENTAL CONSTRAINTS

1. Entitlements and Permit Processing

Project sponsors must obtain appropriate City Planning and building permits to assure that all relevant standards are met. The City's Planning Code's zoning controls regulate land uses, densities, lot sizes, heights, open space, setback and parking requirements, and exterior changes to historic buildings. All developments – residential, commercial and industrial – are required to comply with zoning standards and urban design guidelines.

Proposed developments that deviate from or exceed these standards, or that bring up other planning or environmental concerns, are subject to additional assessment and would require conditional use approvals, variances, discretionary reviews, and environmental impact reviews. All these special permits take longer to process as they require greater study and analysis, public notifications and hearings, and approvals from the City

Planning Commission or the Zoning Administrator. The Commission may impose conditions or mitigation measures.

A typical timeline for a medium-density, multi-family residential project (50 to 100 units) is about a year to 1-1/2 years from the initial conceptual project review with the Planning Department to commencement of construction. This schedule assumes concurrent procedures for an environmental impact review and a conditional use application requiring City Planning Commission review and approval. If an environmental impact report is required, it can take nine months to a year for all necessary studies and analyses to be conducted and the EIR heard before the Planning Commission. Applications can be filed at the same time or filed and heard upon completion of the environmental review. Both procedures are subject to public comment and appeals periods. The conditional use permit can be appealed before the Board of Supervisors within 30 days following the Planning Commission's approval. Once planning entitlements are secured, the project sponsor can prepare detailed building plans to be reviewed and approved by the Department of Building Inspection. Depending on the proposed project's complexity, the plan preparations, review and approval process can take from four to six months before building permits are issued. If no building permit appeals are filed against this project after the 15-day period following permit issuance, building construction can begin.

Minor alterations and new housing projects of up to three single-family dwelling units or up to six units in a single structure may not require an environmental review. Projects proposing principally permitted uses (or "as of right") meeting all applicable Planning Code requirements and not triggering staff-initiated discretionary review will involve less permit processing time. Construction of these kinds of projects can typically begin within nine months of initial project review.

These regulatory controls are not necessarily constraints to housing development as they have been carefully crafted over time to balance citywide needs and were tempered by public concerns. These regulations were established to be consistent with the City's

General Plan priorities to conserve and protect existing housing and neighborhood character. They also regulate new development to be compatible with and not detrimental to the area with respect to size, shape, traffic and noise generated, open space and urban design requirements. The time required to administer and approve projects can add to the cost of housing production. But without these standards, an even greater check on new housing construction could result from public opposition to development.

2. Permit Application Fees

The Planning Department and the Department of Building Inspection require fees for entitlements and building permits based on a project's estimated construction costs. Projects of much smaller scale – such as interior rehabilitation, minor alterations or upgrading – generally require over-the-counter Planning Department approval and a building permit. Projects that are broader in scope, however, may require additional permits, such as conditional use, demolition, and coastal zone, or may require other actions such as a variance, a zoning re-classification, a subdivision, or an environmental evaluation. Payment of an application fee may be required for these additional permits. The application fee for most of these additional permits is also based on the total estimated cost of construction of the project. Other new housing construction fees include water and sewer hook-up and school fees. Table I-62 below provides an example of various fees imposed on new construction.

TABLE I-62***Sample of Permit Fees Based on Construction Costs, 2000***

Construction Cost	Building Permit (DBI) Fee	City Planning Plan Check Fee	Conditional Use, Variance, Coastal Fees	Environmental Evaluation Fee
\$ 10,000	\$ 220	\$ 810	\$ 1,130	\$ 1,074
\$ 50,000	\$ 786	\$ 2,790	\$ 1,338	\$ 1,259
\$ 100,000	\$ 1,185	\$ 5,265	\$ 5,808	\$ 1,490
\$ 500,000	\$ 3,799	\$ 24,665	\$ 3,677	\$ 3,006
\$ 1,000,000	\$ 8,250	\$ 48,515	\$ 6,233	\$ 4,439

Source: Planning Department, Department of Building Inspection

These fees are in line with those charged by other cities. Some project fees in San Francisco may be higher than in other less densely populated Bay Area cities because of the complexity and extensive public review that is required in San Francisco. But as Table I-61 above showed, entitlement fees are not a substantial proportion of development cost and are not seen as a significant constraint on housing development. Development projects by non-profit housing organizations are eligible for reduced or deferred City Planning permit fees pursuant to City Planning Code Section 351(a), (e), (g), (h), and (i).

3. Building Code Standards

San Francisco's Building Code is based on the California Building Code. San Francisco can make some amendments, which local governments are permitted by the State to do if these amendments are proven and justified by local topography, geology or climate. The Building Code is intended to assure health and safety. Some San Francisco amendments to the State code, while maintaining health and safety standards, ease the production of housing by recognizing the particular local conditions. For example, the San Francisco Building Code permits fire escapes for certain required exits in existing buildings,

whereas the State Code does not. Local amendments do not make housing more difficult or expensive than housing elsewhere in California.

Federal and state laws require that commercial and public use buildings, and new housing, be designed and constructed to be accessible to persons with disabilities. Local agencies do not enforce the federal American with Disabilities Act (ADA) prohibiting discrimination against persons with disabilities. The San Francisco Department of Building Inspection, implementing the San Francisco Building Code, requires all new construction and rehabilitation projects to comply with the Code's disability access requirements. (San Francisco does not make any amendments to the California Code's disabled access provisions.) Generally, one and two-family dwellings are not required to be accessible. Existing privately funded multi-family dwellings can generally undergo alterations with little or no accessibility upgrade. All new buildings of three or more units must meet the accessibility standards of the Code. Exceptions may be granted if compliance would result in an unreasonable hardship, in which case any reasonable accessible features will still be required.

4. Transportation

San Francisco's transportation system has been strained by the availability of free and relatively inexpensive parking in many parts of the City, which promotes driving. Coupled with job and population growth, this has increased congestion while decreasing the efficiency of public transit services. Recent planning efforts seek to address this issue and continue to closely examine the interaction of land use and transportation to assure that current and future residents are able to travel conveniently and efficiently to jobs, services, and recreational opportunities. Also, Planners at the San Francisco County Transportation Authority (SFCTA) are currently preparing the Countywide Transportation Plan that will prioritize numerous improvements to the City's transportation system.

5. Infrastructure Standards

The City imposes fees on sponsors of new development for various on- and off-site infrastructure improvements when necessary. Various standards for street widths, curb requirements, and circulation improvements have been developed over time and are not believed to be excessive or to impose undue burdens on development. They apply citywide and conform to the developed pattern of the City. More specific infrastructure improvements, such as particular streetscape design treatments, may be required of major new developments in the City's project areas. Given the densities at which residential land is developed in San Francisco, these infrastructure costs, even when borne partially by the developer, represent a relatively small cost per unit.

C. FINANCING

The Planning Department's regulatory capacity can encourage housing – especially affordable housing – development and conservation. But actual housing production or rehabilitation can only be realized with adequate financing. Some of the costs of providing housing occur at one time (capital expenditures such as land acquisition, construction or rehabilitation costs). Conservation of affordable housing, however, requires recurring annual funding for rental subsidies, operating subsidies and supportive services.

Assembling the necessary funding to produce and maintain adequate affordable housing for the City's low- and moderate-income residents remains an enormous challenge. As the boom of the final years of the 1990s bore out, this is even more difficult when the economy is thriving, as the very forces that spur on development can negatively affect the housing market. When the gap increases between housing costs and what low- and

moderate-income households can afford, the City's affordable housing crisis is exacerbated.

1. Private Financing Sources

Private lenders offer construction loans on a conservative loan to appraised value ratios and pay particular attention to a project's costs. This limits the lenders' risk but may also reduce availability of financing for new housing construction. Larger, multi-unit condominium projects can be especially difficult to finance as lenders assume that construction costs tend to be higher as developers provide more amenities and that units may take longer to sell, stretching the period to recover construction costs.

Private financial institutions provide financing to affordable housing projects – often as construction loans – to comply with the Community Reinvestment Act requirements. Private lenders also participate in first-time homeownership programs that enable moderate-income households.

2. Public Financing Sources

Affordable housing development and conservation depends largely on the availability of public funding sources. Table I-63 lists the various federal, state and local funding available for affordable housing production for fiscal year 2002-2003. Allocation of these monies shows that construction of about 400 new units – approximately on level with the previous 10 years' average of 390 new affordable units a year – will be funded (Table I-64). Another 490 units will be rehabilitated or provided with other housing assistance in this time period. Clearly, these funds will not cover the tremendous affordable housing need described in previous sections.

TABLE I-63

Federal, State and Local Funding for Housing Programs, 2002-2003

Funding Program	Funding Sources	Total Allocation	Set-Aside for Existing Projects	Set-Aside for Pipeline Projects	Available for New Projects
Supportive Housing	CDBG, HOME, HOPWA	\$ 6,557,350	\$ -	\$ 4,457,350	\$ 2,100,000
Family Rental Housing	Affordable Housing Fund, Affordable Housing Bond funds	\$ 16,150,000	\$ -	\$ 6,150,000	\$ 10,000,000
Senior Housing	Hotel Tax, Mission Bay and Affordable Housing Bond funds	\$ 12,481,883	\$ -	\$ 8,246,589	\$ 4,235,294
Low-Income Single Family & Senior Homeowner Rehabilitation	CDBG, CERF	\$ 2,600,000	\$ -	\$ -	\$ 2,600,000
Public Housing Preservation		\$ 1,600,000	\$ 1,600,000	\$ -	\$ -
Non-Profit Owned Housing Preservation	CDBG, HOME	\$ 2,927,110	\$ -	\$ 324,600	\$ 2,602,510
Homeownership	Tax Increment funds	\$ 6,264,706	\$ -	\$ -	\$ 6,264,706
Housing Opportunities	CDBG, HOME, Tax Increment funds	\$ 22,817,273	\$ 2,000,000	\$ 500,000	\$ 20,317,273
TOTALS		\$ 71,398,322	\$ 3,600,000	\$ 19,678,539	\$ 48,119,783

Source: 2002-2003 Action Plan, Mayor's Office of Community Development, Mayor's Office of Housing, San Francisco Redevelopment Agency

CDBG: Community Development Block Grant

HOME: Home Investment Partnership Program

HOPWA: Housing Opportunities for Persons with AIDS

CERF: Code Enforcement Rehabilitation Fund

TABLE I-64

Estimated Number of Government-Subsidized Affordable Housing Units, 2002-2003

New Construction		
Permanent Supportive Housing		10
Family Housing		112
Senior Housing		128
Homeless Housing		6
First-Time Homebuyers		144
Sub-total		400
Rehabilitation and Other Assistance		
Single-Family Rehabilitation		60
Homeownership Assistance		110
Housing Opportunities		320
Sub-total		490
TOTAL		890

Public financing covers capital funding for the acquisition, rehabilitation, construction, and preservation of affordable housing. Other public financial programs also provide for supportive services, rental assistance, assistance to first-time homebuyers, and administrative costs to city agencies and non-profit corporations that provide affordable housing and other community development and human services.

Some of the funding programs above – such as CDBG, HOME – are expected to be stable sources of affordable housing funds. However, these are also subject to budgetary constraints. Similarly state funding sources are vulnerable to the budgeting process, although additional state funding became available with voters' approval of new bond issues in November 2002. Most local sources such as the Hotel Tax Fund and the Jobs-Housing Linkage Fund are even more dependent on economic trends. One significant local affordable housing bond (Proposition A) was fully committed in 2003; issuance of additional bonds fell short of receiving two-thirds of San Francisco voters' support.

Some public funds are restricted to particular housing types and/or population groups; for example the elderly housing program (Section 202, Hotel Tax Fund), the disabled housing program (Section 811, Hotel and Tax Fund), and HOPWA (Housing Opportunities for Persons with AIDS). Administrative costs are also not covered by most public funding sources. Federal grants often carry a number of restrictions and regulations that can make the funds difficult to use. For example, some federal programs require matching grants while others are impossible to combine with other funds. Most affordable housing programs require three or more sources of funding to become feasible. Different funding sources may have to be tapped for pre-development, construction, and permanent financing costs – leading to considerable transaction and legal costs and delays in the development process.

D. COMMUNITY ACCEPTANCE

The development process can be very public in nature. San Francisco has a strong tradition of public involvement in policy discussions and possesses a very engaged citizenry on development issues. This activism often takes the shape of organized opposition to housing projects across the City, especially affordable housing for low-income residents and even towards well planned and designed developments. Such vocal opposition poses very real impediments to project sponsors, and can lead to significant time delays, additional cost, or a reduction in the number of residential units produced. The City is committed to the involvement of citizens in the planning process and to the education of its residents on the importance of working towards citywide housing objectives. Two current planning initiatives – the Better Neighborhoods program and the Eastern Neighborhoods Community Planning Process – have engaged residents, property owners, workers, and other stakeholders and sought broad public community backing through participatory programs of education, public dialogue and input, and consensus building. The department's efforts to foster active public participation from the eight neighborhoods targeted by the initiatives resulted in these neighborhoods' contribution in new key policies of the *Housing Element*.

VI. QUANTIFIED HOUSING GOALS

The state Department of Housing and Community Development, with the Association of Bay Area Governments, determined San Francisco's "fair share" of the regional housing need for the period covering January 1999 through June 2006 at 20,372 units. Even with very aggressive policies and programs, given that San Francisco is a mature, built-up city with limited large tracts of undeveloped land and the previous years' housing production record, this "fair share" is likely to be not achievable.

Table I-65 below shows that just 41% of the state mandated annual targets for the period covered by the 1990 *Residence Element* was achieved. The extension of the housing production reporting period from June 1995 to December 1998, however, allowed for new market rate housing construction to exceed total production targets set for 1995. This still resulted in meeting only 72% of the annual target. (Appendix A provides details of the City's housing production performance in the evaluation of the 1990 *Residence Element*).

TABLE I-65

Annual Production Targets and Average Annual Housing Production, 1989-1998*

Affordability Categories	Housing Goals 1989-June 1995 (6.5 years)		Actual Production 1989-1998 (10 years)*		% of Annual Target Achieved
	Total	Annual Targets	Total	Annual Average	
Very Low Income (below 50% AMI)	5,392	830	2,202	220	26.5%
Low Income (50% - 79% AMI)	3,595	553	1,515	152	27.4%
Moderate Income (80% - 120% AMI)	4,493	691	557	56	8.1%
Market Rate (over 120% AMI)	8,987	1,383	9,893	989	71.6%
Annual Production Target, 1989 - June 1995	22,467	3,456	14,167	1,417	41.0%

*ABAG Reporting Period

More than the poor performance in the production of very low- and low-income housing, the deficit of almost 4,000 units affordable to moderate income households has been seen as critical in catapulting the City's housing problem into a crisis of affordability. As the table below shows, housing construction in the last two years is pointing to an exacerbation not just of affordability but also of a major housing construction deficit.

Stable government support in the last few years covered almost all of the affordable housing production, with less than 5% produced through inclusionary housing measures. Public subsidies tend to fund very low and low-income housing, with very limited grants allocated for moderate-income homebuyers. The recently revised and expanded

inclusionary affordable housing requirement is expected to improve the provision of new housing for households earning moderate incomes.

Tables I-55 to I-57 indicated that there are more than enough in-fill housing opportunity sites to meet the projected housing needs. Yet historic housing production trends, together with recent public financing flows, could mean only some of these sites would be developed. Table I-66 below shows that recent housing production has fallen short of the housing production targets set by ABAG. If the previous ten years' housing production is any indication of the future, the next five and a half years' new construction could result in an annual shortfall of about 1,888 units. Capital subsidies needed to bridge this shortfall can be enormous (Table I-67). As shown in Table I-63, funds available for new affordable housing construction, rehabilitation and supportive service provision for 2002-2003 only totaled about \$48.1 million. The estimated additional capital subsidies needed to meet the City's regional housing share would require over 300% more in funding.

TABLE I-66

Housing Production Targets, 1999-June 2006 and Actual Production, 1999-2000

Income Category	ABAG Housing Needs Production Targets	Actual Housing Production 1999- 2000	Annual Production Required to Meet ABAG Targets, 2001-June 2006	Estimate of Expected Annual Production,* 2001-June 2006	Estimated Annual Shortfall, 2001-June 2006
Very Low Income (below 50% AMI)	5,244	203	917	201	716
Low Income (50% - 79% AMI)	2,126	75	373	138	235
Moderate Income (80% - 120% AMI)	5,639	94	1,008	51	957
Market Rate (over 120% AMI)	7,363	2,515	881	901	(20)
TOTALS	20,372	2,887	3,179	1,291	1,888

*Assuming previous 10 years' average annual production is sustained

TABLE I-67

Estimated Capital Subsidies Required to Meet Production Goals

Income Category	Estimated Annual Shortfall in Production	Mid-Range Income for Family of Three*	Affordable Rents**	Maximum Affordable Purchase Price*	Estimated Production Costs (2 bdrm unit)	Estimated Affordability Gap	Estimated Capital Subsidies Required to Meet Production Goals
Very Low Income (below 50% AMI)	716	\$ 19,375	\$ 533	\$ 63,500	\$ 297,500	\$ 234,000	\$ 167,437,636
Low Income (50% - 79% AMI)	235	\$ 50,375	\$ 1,385	\$ 180,800	\$ 297,500	\$ 116,700	\$ 27,413,891
Moderate Income (80% - 120% AMI)	957	\$ 77,500	\$ 2,131	\$ 292,500	\$ 297,500	\$ 5,000	\$ -
TOTALS							\$ 194,851,527

*Assumes middle of the range, thus 25% of AMI (VLI), 65% of AMI (LI) and 100% of AMI (Moderate)

**30% of Annual Income plus utilities

With the availability of future public subsidies impossible to predict at best, an optimistic assumption would anticipate funding that would sustain the last decade's affordable housing production. Achieving the housing production and affordability targets set by HCD-ABAG is clearly very difficult. But setting the goals to be more "realistic" and "achievable" could only weaken efforts at seeking and obtaining resources necessary to meet the City's urgent housing needs.

A practical solution would be to uphold these long-term targets and annually assessing priorities against the reality of available resources. The City, therefore, will take the production targets set by HCD-ABAG for its quantified housing production objectives. Each year, as resources are known to be, or reasonably expected to become available, shortfalls in achieving goals can be assessed, program targets shifted appropriately, and resources allocated efficiently and effectively.

VI. APPROACHES AND RESOURCES TO MEET CURRENT AND FUTURE HOUSING NEEDS

San Francisco housing policy in the 1980s and 1990s encouraged both residential development and housing preservation. These policies led to the: 1) adoption of zoning controls that retain existing residential densities in more established neighborhoods; 2) rezoning of certain commercial, industrial, and publicly owned sites to residential use; 3) encouragement of housing in excess of the basic floor area ratio in downtown development districts; 4) permitting higher densities in adopted affordable housing development special use districts; 5) creation of interim zoning controls to establish a mixed use area where housing and live/work uses would be encouraged, and buffer zones where residential and live/work uses would require conditional use authorization; and 6) drafting of policies to control the merger of residential units to help retain the existing supply of housing in the City.

The City continues to seek to enhance the overall livability of its neighborhoods. To this end, it has identified major areas of that can absorb significant new housing development without adverse impacts on surrounding neighborhoods. These areas primarily consist of Redevelopment Project Areas, three pilot Better Neighborhoods plan areas, and neighborhoods throughout the eastern portion of the City currently in the Community Planning Process. The Planning Department is dedicated to zoning changes citywide that encourage new housing in areas particularly close to transit. Opportunities for new affordable and market rate housing are being pursued on publicly owned sites, as well as in large commercial and institutional developments. Furthermore, all new market rate housing developments of ten or more units will be subject to the City's new inclusionary housing requirements that will generate new affordable units in San Francisco.

To further facilitate housing production in San Francisco, a number of policies are being developed. The following partial list of policies and programs under development are discussed more thoroughly in Part II of the Housing Element, *Policies and Objectives*.

The following tools should be used through neighborhood outreach and planning process such as the Better Neighborhoods program.

1. Reduce uncertainty for housing developers and generate community support for new housing by adopting specific plans, citywide programs, and specialized zoning that will guide and foster housing production at appropriate locations, including:
 - Neighborhood based Specific Plans that establish development profiles with completed program EIRs, which obviate the need for case by case environmental determinations;
 - Transit Oriented Neighborhood Commercial District (NC-T) Zoning. Controls that provide increased housing densities above the ground floor and reduced residential parking requirements on linear shopping streets and along transit corridors. Designations would apply to areas that offer convenience goods and services in close proximity to transit.
2. Increase availability of land for housing by:
 - Rezoning certain former industrial areas near downtown to mixed use and encourage the development of high density housing;
 - Allowing increases in housing densities in appropriate areas citywide;
 - Requiring replacement housing for units demolished due to public or private action;
 - Facilitating the construction of new housing in C-3 (downtown commercial) zoning districts and;
 - Reducing parking requirements on residential projects.
3. Facilitate permit processing by:
 - Simplifying and expediting the processing of building permits;
 - Prioritizing review of housing projects, with highest priority to affordable housing;
 - Further enhancing interdepartmental project review coordination and;

- Preparing master environmental impact reports covering all potential new housing in a selected area to streamline the approval and construction processes.

4. Enhance capital funding by identifying the availability of private resources for housing development, and leveraging government funding programs including:

- Federal housing resources such as CDBG, HOME, Lead Hazard Reduction Grant, Section 202 Elderly Housing Program, Section 811 Disabled Housing Program, Low-Income Housing Tax Credits, McKinney Supportive Housing Program, Housing Opportunities for People With AIDS (HOPWA), and Comprehensive Grants;
- State housing funds including CHFA Multifamily Bonds, Multifamily Housing Program, programs funded by Proposition 46, and Low-income Housing Tax Credits and;
- City housing resources that include Affordable Housing Bonds, Tax Increment Bonds, Hotel Tax funds, Jobs-Housing Linkage Program funds, Hotel Conversion Mitigation fees, Seismic Rehabilitation Bonds, Tax-Exempt Revenue Bonds, Code Enforcement Rehabilitation funds, surplus City-owned land, and SFRA owned land.

5. Support housing affordability by:

- Creating a land banking program to acquire land for future affordable housing development;
- Relaxing minimum lot sizes and parking requirements for affordable housing;
- Reducing or eliminating permit fees for permanent low income affordable housing projects;
- Identifying additional resources for the rehabilitation of existing housing, including low-income apartments and residential hotels and;
- Providing density bonuses for projects with a share of low-income housing units.

PART II

OBJECTIVES, POLICIES, AND IMPLEMENTATION PROGRAMS

INTRODUCTION

This second part of the *Housing Element* sets forth objectives, policies, and implementing programs to address the critical housing needs identified in Part I. In the last decade, San Francisco's population grew while new housing construction failed to keep pace. San Francisco households grew an average 2,400 annually, yet addition to the housing stock averaged just about 1,000 a year. Vacancy rates plummeted and even middle-income householders found themselves paying 50% or more of their income to rents.

The State Department of Housing and Community Development (HCD), with the Association of Bay Area Governments (ABAG), has estimated that San Francisco needs to build over 2,700 new units a year to meet its share of the region's projected housing demand. As recent production fell short of this annual target, 3,200 new units a year must be built between 2001 and 2006 to meet regional housing goals. At least 40% of these new housing construction should be affordable to low and very low income households, and 32% affordable to households of moderate means.

Objectives and policies are general in nature and serve as the framework for decision making and priority-setting. They address specific needs and are followed by related implementation actions. For these implementation actions to succeed, three major prerequisites must be met:

- An adequate supply of land must be identified;
- Regulatory and other impediments must be removed while incentives are identified and provided; and

- Adequate financing must be available for both private and non-profit housing development.

San Francisco is a mature built-up city with very few large open tracts of land to develop. Still, opportunities for new housing do exist. Scattered across the City are vacant or underused lands suitable for in-fill development. As many as 29,000 new housing units could be built on such parcels under current zoning standards. But high land prices add tremendous costs to housing development. A particularly vocal citizenry can delay or even stop new development. And as housing demand rises, so do housing costs.

Despite this, San Francisco continues to be a highly desirable place to live. It is a traditional employment hub and most workers who live in San Francisco can reduce commute distances and use the city's extensive transit network. Schools, services, institutions and cultural opportunities enrich San Francisco's neighborhoods. Residents value the City's unique combination of natural setting, built environment, and cultural diversity. New residents will continue to be attracted to San Francisco's new and established neighborhoods. City policy makers must determine how to comfortably accommodate the present and future population, keeping it diverse with varying incomes, household size, and composition. Policy makers must also preserve values that San Francisco residents cherish. There must be opportunities for families, children, seniors, and people of different cultural backgrounds to contribute to the unique blend that is San Francisco.

Addressing Housing Needs

Current and future residents of limited means are likely to need assistance to continue to live in San Francisco. Many future San Francisco workers will be earning below 80% of the area's median income. Sales clerks and secretaries, as well as technical professionals and bank executives, must be able to live here. The City must also house the additional firefighters, policemen, teachers, and health, recreation and primary care providers needed to support the City's growing population. Even construction workers who will be building the new houses will need housing they can afford.

The high cost of being a San Francisco resident has already become evident in who now lives here. While service workers make up 44% of the City's workforce, only 14% of residents are employed as service workers. Unless housing is available for local service workers and their families, these trends will continue. Upper income (market rate) housing makes up most of the housing produced in the last 10 years and in the last several years has even exceeded projected needs for this market segment. Federal and state subsidies have provided some funds to build housing affordable to very-low and low-income householders, but moderate-income householders have found themselves in a tight squeeze for housing they can afford.

The average San Francisco household size, which has grown steadily smaller following the War, increased in the 1990s as housing costs rose and forced shared rentals among non-relatives. Family households, which now make up less than half of all San Francisco households, are dramatically under-served by new market rate housing that seldom provides more than two-bedroom units. The proportion of children in the City sank from 25% to less than 15% from 1990 to 2000. Steps must be taken to encourage units suitable for families in neighborhoods with schools, libraries, parks and other services. San Francisco will need to aggressively produce affordable housing to avoid becoming a city where only the rich live or a city with few children.

Increasing the City's housing supply and preserving existing neighborhood character are not mutually exclusive goals. The Planning Department's aim is to plan for growth to enhance the best qualities of San Francisco, strengthen the character of existing neighborhoods, and create new ones. Planning efforts must respond to human needs, ensuring that new development contributes to creating a more livable city. In-fill development should be encouraged in established residential neighborhoods where supporting infrastructure and community services already exists. New neighborhoods planned in redevelopment areas such as Mission Bay and the Hunters Point Naval Shipyard will provide housing in a variety of unit sizes, at both market and affordable rates. Neighborhood services, as well as community facilities, will also be provided.

Neighborhood commercial corridors also provide opportunities for additional upper residential stories to be built above ground level retail. These areas are along transit lines and offer greater possibilities for linking housing, employment, and transportation. Reduced residential parking

requirements in these transit intensive areas could be an added incentive to build housing above commercial uses. Denser construction, where it is already allowed, can also significantly boost housing counts and add vitality to street life as well. Sites near downtown and along transit corridors show the most promise for such development.

However, much of the new housing built in the last decade was produced on less-expensive industrial land in the City's eastern portion, displacing some needed services and threatening the vitality of the City's diverse economy. Frequently this development was unconnected to the amenities typically expected and provided in established residential areas, amenities that contribute to the viability and livability of thriving residential neighborhoods. Continuing this trend without clear policies and rules that balance the optimizing of land uses while preserving and enhancing neighborhood character could result in the loss of crucial support services, threaten the City's economy, and diminish the overall quality of life

Citywide Action Plan

To meet the challenge of housing production and affordability, the Planning Department will address the housing targets developed by HCD-ABAG through initiatives of a Citywide Action Plan (CAP). The CAP comprehensively explores the challenge of meeting the need for both housing and jobs in ways that capitalize upon and enhance the best qualities of San Francisco as a place. The CAP will direct a mix of housing and neighborhood-serving uses to places with good public transit and urban amenities, new office uses to the City's compact downtown core, and needed industrial uses to core industrial lands in portions of the City's east side, thereby releasing the rest for housing and other uses. A new *Land Use Element* will identify specific sites in these areas for housing.

The CAP promotes housing by increasing densities in areas well served by transit. Specific strategies in these areas include: reducing parking requirements; floor-to-area ratio (FAR) exemptions; removing density caps in certain areas; increasing height limits; utilizing air-rights for housing; and increased density and height limits at key corner lots.

These strategies will be applied throughout the City. Generally, increased housing densities and reduced parking requirements will be proposed in areas well served by transit. In the Central Waterfront area, a mix of uses is being planned to accommodate housing in a largely industrial area. Lands occupied by the former Central Freeway around Market Street and Octavia Boulevard are being programmed for new housing while increasing existing residential densities. In Balboa Park, new housing is planned capitalizing on city owned land and an existing transit node. In the Downtown area, dense housing is planned on underutilized parcels. In the redevelopment areas of Mission Bay and Hunters Point Naval Shipyard, new neighborhoods are planned that promise approximately 7,600 units. However, these density increases must be combined with the capture of some of the added development value through the provision of public benefits.

The Eastern Neighborhoods, representing roughly one-quarter of the City, are being studied and re-zoned to identify core areas where vital production, distribution, and repair (PDR) businesses are needed to maintain economic diversity. These core areas will be zoned to promote business and job expansion while the rest of the Eastern Neighborhoods will allow or expressly encourage housing. In the Mission District and South of Market, residential densities will be increased along transit corridors and additional land will be re-zoned for housing. In Showplace Square, housing will be integrated into a vibrant and historic light industrial area. In Bayview, a town center will be created around the planned rail service allowing greater residential densities. In Visitacion Valley, an existing brownfield site will be developed into housing, open space, and neighborhood serving retail. These rezoning efforts can boost the City's housing capacity by as much as 12,000 additional housing units.

Other strategies to increase housing include the expanded Jobs Housing Linkage Program that requires new large commercial developments to provide housing or pay an in-lieu fee to meet the housing demand new jobs generate. The recently revised and expanded inclusionary affordable housing ordinance now applies to all new residential developments of 10 units or more. Publicly owned lands are also being reviewed to assess residential development potential while revenues from surplus public land sales will be dedicated to future affordable housing production.

Institutional Master Plans will be required to encourage higher educational institutions to provide

housing. Education programs to foster the acceptance of new housing, particularly affordable housing, are also planned.

Although there are more than enough in-fill housing sites to meet projected housing needs and aggressive housing policies and programs are set to encourage housing development, realizing the City's housing targets would require tremendous financing. It has been estimated that enormous amounts of public funding would be necessary to bridge the gap between the state-mandated housing production targets and what can be realistically be expected in the next five and a half years (Table I-58).

Financing for housing production will continue to be affected by economic cycles. With the availability of future public subsidies impossible to predict, an optimistic assumption would anticipate funding that would sustain the previous decade's affordable housing production. Achieving production and affordability targets are clearly very difficult, but accepting more "realistic" ones will only weaken efforts to obtain the additional resources necessary to meet the City's housing needs. Consequently, the City will uphold these housing production targets and annually assess priorities against the reality of available resources.

The objectives and policies detailed below address the state's, the region's and the City's goals of achieving decent, suitable, and affordable housing for current and future San Franciscans. Increasing the City's housing stock, protecting and conserving existing units, and encouraging housing choice are objectives predicated on affordability. The homeless and households with special needs are given particular attention as these vulnerable populations have limited housing options. Livability will not be sacrificed with the push to expand the City's housing supply. New housing will be directed to appropriate locations, with sufficient supporting infrastructure, institutions and urban amenities. The implementing programs accompanying these objectives and policies are in response to meeting San Francisco's fair share of the regional housing needs. These objectives and policies are instructed by and consistent with two of the *General Plan's* Priority Policies. These are:

- That the City's supply of affordable housing be preserved and enhanced.

- That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

HOUSING SUPPLY

OBJECTIVE 1

TO PROVIDE NEW HOUSING, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN APPROPRIATE LOCATIONS WHICH MEETS IDENTIFIED HOUSING NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE HOUSING CREATED BY EMPLOYMENT DEMAND.

New housing, particularly permanently affordable housing, is required to help meet the City's housing needs. New housing is needed to accommodate projected population growth, improve the jobs/housing balance so that fewer new San Francisco workers will have to live outside the city and commute to work, relieve rent pressures, meet the needs of specific population groups not adequately housed in the existing stock, and reduce homelessness.

New residential development must be of a character and stability that enhances the City's neighborhoods and maintains the quality of life for existing and future residents. How this new residential development can be accommodated without jeopardizing the very assets that make living in San Francisco desirable must be discussed. In order to enhance the city's livability, the supply of housing must be increased and new housing developments should respect the scale and character of the surrounding neighborhood. The lot pattern and building bulk should relate to surrounding properties. Transit and other public and private services should be available to serve the new residents. High quality design should ensure that new residential development is compatible with, and enhances, its surroundings. Neighborhood groups, project sponsors, and

City agencies should work together to create designs that contribute to great neighborhoods for current and future residents.

To ensure a balanced approach to development and the rate of change in San Francisco, the City should use its planning powers including zoning and permit review to encourage residential development in areas where it can be accommodated well and discourage it where it is less appropriate. The City should use its zoning and land use controls, environmental review processes, *General Plan* policies, area plans, and capital improvements and financial programs to address the location and intensity of growth in San Francisco.

In order to advance *General Plan* policies, including the *Housing Element*, the Planning Department is engaged in several on-going projects and studies on overall growth in the City and housing need. These efforts include the Better Neighborhoods program, the drafting of a new *Land Use Element* of the *General Plan*, and community planning activities for the Eastern Neighborhoods of the City. These projects will result in specific zoning and design guidelines that will encourage housing development in appropriate locations throughout San Francisco.

Over the past decade, the City's employment growth has far exceeded the production of housing. The significant jobs/housing imbalance specifically meant that not enough new housing was built to meet the needs of the City's expanding workforce. This jobs/housing imbalance has particularly harmed lower-income households who are unable to compete in the housing market as demand for and the cost of housing escalates. In the face of increasing pressures in the housing market, households with the fewest resources such as households with children and those with special needs became the most vulnerable to extreme rent burden, evictions, or even homelessness.

POLICY 1.1

Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income

households. Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character where there is neighborhoods support.

San Francisco enjoys an extensive network of transit lines and along transit-preferential streets are numerous in-fill-housing opportunities. While different zoning controls may result in different housing configurations and densities on these parcels, residential parking requirements in these cases should be, if appropriate, modified.

Proximity to transit does influence rates of auto ownership and the need for parking. Some 29% of the City's households do not own cars and 31% of San Franciscans take public transit to work. These rates are even higher for households living in areas well served by transit. Locating new housing along transit-served areas supports the City's transit first policy and can discourage car dependency.

Additional housing should be encouraged in neighborhood commercial districts, including floors above ground-level commercial uses, and in areas well served by transit. There is a reduced need for automobile use in these areas due to their proximity to transit, services, employment, and entertainment. Parking and traffic problems can be further addressed by community parking facilities and car-sharing programs, and other creative transportation programs.

Moderate to high densities presently exist in many established residential areas adjacent to downtown. These levels should be maintained. These neighborhoods provide housing close to urban employment centers, homes for newcomers, and serve as centers for culture and the arts. They are among the traditional neighborhoods that give San Francisco its flavor and character. New neighborhoods close to downtown should be built emulating these urban densities to foster urban values.

IMPLEMENTATION 1.1

- A citywide action plan (CAP) should provide a comprehensive framework for the allocation of higher density, mixed-use residential development in transit-rich areas with

stable urban amenities in place. In these areas, specific CAP strategies should include: higher densities and reduced parking requirements in downtown areas or through a Better Neighborhoods type planning process; pedestrian-oriented improvements to enhance the attractiveness and use of transit.

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- All City agencies, including the Mayor's Office of Housing and the Redevelopment Agency, will continue to provide support for below market rate housing in other areas well served or planned to be served by transit.

POLICY 1.2

Encourage housing development, particularly affordable housing, in neighborhood commercial areas without displacing existing jobs, particularly blue-collar jobs or discouraging new employment opportunities.

The City's neighborhood commercial districts offer the potential for new additional housing over ground floor retail uses. In many cases, additional floors can be constructed to make full and efficient use of appropriately scaled height limits. If necessary, private open space requirements could also be modified, with alternative access to the outdoors considered. New housing represents not only an expanded market to support neighborhood retail, but its residents will serve as the eyes and ears of the streets. In the long term, neighborhood commercial district controls and standards should be revised to recognize and enhance the supporting role and centrality of these districts to the surrounding residential districts.

IMPLEMENTATION 1.2

- The Planning Department will develop proposals in neighborhood commercial districts (NCDs) well served by transit to strengthen their function as a traditional "town center" for the surrounding residential districts.

- The Planning Department will review planning and permit procedures to remove impediments to the production of housing and neighborhood serving uses in commercial and neighborhood commercial areas near transit corridors that are defined and determined to be served by sufficient and reliable transit.

POLICY 1.3

Identify opportunities for housing and mixed-use districts near downtown and former industrial portions of the City.

Opportunities exist for new residential development in downtown areas. New housing can also be developed in some underused industrial and commercial districts in parts of the city without significant displacement of existing residential units or viable commercial and industrial activities. Housing should also be encouraged in former industrial areas where newer residential neighborhoods have already become established. Certain sites, because of their location or existing use, may not be appropriate for new residential development.

IMPLEMENTATION 1.3

- Downtown areas and areas subject to a Better Neighborhoods type planning process will be expected to absorb major office and residential developments over the next decade. Planning and zoning code changes should include floor-to-area ratio exemptions. These development bonuses would be conferred only in cases where in return the development will provide major public benefits to the community.
- The Planning Department will introduce zoning changes in the traditionally industrial eastern part of the City. The areas under study are: Mission, South of Market, Showplace Square/Potrero Hill, Bayview Hunters Point, and Visitacion Valley. Housing,

especially affordable housing, will be encouraged in former industrial areas where residential neighborhoods are established and urban amenities are in place or feasible.

- The Planning Department will continue to encourage housing development on brownfield sites where clean-up costs are not prohibitive and attractive residential neighborhoods can be established.

POLICY 1.4

Locate in-fill housing on appropriate sites in established residential neighborhoods.

In established residential neighborhoods, new in-fill housing construction should be located: on vacant sites that are not designated for open space; where buildings cannot feasibly be rehabilitated or brought to acceptable levels of seismic safety; and where non-conforming uses have been terminated.

IMPLEMENTATION 1.4

- The Planning Department and the Planning Commission will continue to approve new in-fill housing construction in compliance with residential guidelines in established neighborhoods.

POLICY 1.5

Support development of affordable housing on surplus public lands.

Opportunities for housing development, particularly permanently affordable housing, on surplus vacant or underused public property should be aggressively pursued. The Planning Department

should work with the Department of Real Estate, which manages the disposition of surplus public lands, to maintain a comprehensive and updated inventory of publicly held lands. City agencies should continue to identify and make available underutilized sites within their jurisdiction. In some cases the air rights of these sites may be made available for housing without interfering with their current public use. Housing over public parking, transit facilities or water storage facilities are examples of such joint use. City property no longer needed for the purpose for which it was acquired or for some other public purpose, such as open space and recreation land, should be considered for rezoning, sale, or lease for development of permanently affordable housing. The City also owns several significant land holdings outside the City and County borders. Revenues generated from sale of surplus lands should be channeled into the City's Affordable Housing Fund. Similarly, federal or state lands acquired by the City should be considered directly as affordable housing resources. Development of publicly owned or controlled sites in redevelopment areas designated for housing should be expedited.

IMPLEMENTATION 1.5

- The City will require quarterly reporting of all publicly owned land to the Assessor's Office. The Planning Department will also work with the Department of Real Estate, which manages the disposition of surplus public lands to examine the feasibility of directing revenues generated from surplus land sales into the City's Affordable Housing Fund.
- The City will continue to evaluate surplus federal or state lands as an affordable housing resource.
- The Redevelopment Agency will continue to prioritize affordable housing on lands it controls.
- The City will promote joint development projects on surplus public lands with non-profit and for-profit developers, as well as encourage construction over air rights of existing public facilities.

- A separate list of State and Federally owned land should continue to be maintained for affordable housing development purposes.
- Construction over air rights and existing public facilities will be considered for affordable housing production on a case-by-case basis.
- The Planning Department will continue to work with other agencies, especially the San Francisco Unified School District and the Public Utilities Commission, to encourage the use of surplus land for the development of mixed-use affordable housing with a higher percentage of units affordable to people earning less than the Area Median Income.

POLICY 1.6

Create incentives for the inclusion of housing, particularly permanently affordable housing, in new commercial development projects.

Mixed commercial/residential building development in downtown areas provides needed housing and adds 24-hour vitality. Existing incentives should be maintained and new ones created to encourage housing and mixed-use projects in and near the downtown area. Housing in excess of the base floor-to-area ratio should continue to be encouraged in the Downtown General (C-3-G) and Downtown Support (C-3-S) Districts. Removing maximum dwelling unit density within a building envelope also offers the possibility of a variety of residential unit types and densities.

IMPLEMENTATION 1.6

- The Planning Department will review the following incentives for commercial project developments in the Downtown C-3 District: floor-to-area ratio (FAR) exemption for housing; no residential parking requirement; and no density requirements for residential projects. Housing in excess of the base FAR in the Downtown General (C-3-G) and

Downtown Support (C-3-S) Districts has also been proposed by the Board of Supervisors.

- The Planning Department and the Redevelopment Agency will propose increasing height limits, eliminating density requirements and modifying off-street parking requirements in the Transbay/Rincon Hill redevelopment survey areas. The Mid-Market redevelopment survey area will be re-zoned to include mixed-use residential areas and reduced residential parking requirements.
- The Planning Department will continue to implement the Van Ness Avenue Plan which requires residential units over commercial uses.
- The Planning Department will update the Land Use Element to define areas for mixed-use development focused along transit corridors that are determined to be served by sufficient and reliable transit.

POLICY 1.7

Encourage and support the construction of quality, new family housing.

Children and families are very much part of the City's vitality and diversity. They bring life and transform even the City's least child-friendly downtown neighborhoods. But San Francisco's families with children are leaving as family-sized housing become scarce or prohibitive, outbid by more affluent and flexible non-family households that form as a response to the City's high rents and housing costs. The changing demographics of the City also hint at larger, extended families. Families with children and elderly members have few options as only 25% of the City's housing stock has three or more bedrooms. Much of the housing constructed in the last decade were of studios, and one- or two-bedroom units – too small to accommodate larger families. Single-family residential builders and contractors should be encouraged to develop the almost one thousand vacant lots in residential neighborhoods that can accommodate new single-family housing or duplexes.

New family housing, particularly affordable housing, need not be confined to the suburban residential neighborhoods. Children thrive in and can benefit from urban living. The compact nature of urban living can offer children proximity and access to various activities, especially those that appeal to their recreational and cultural interests. New residential development opportunities, including affordable family housing, have been identified in neighborhoods near downtown. Developments that include various unit sizes that can accommodate families with children should be supported and encouraged.

IMPLEMENTATION 1.7

- In response to the increasing number of families in San Francisco, the Planning Department will develop zoning amendments to require a minimum percentage of larger family units, ranging from two to four bedrooms, in new major residential projects. The Planning Department will also propose eliminating density requirements within permitted building envelopes in downtown areas and areas subject to a Better Neighborhoods type planning process to maximize family units constructed.

- The Mayor's Office of Housing and the San Francisco Redevelopment Agency will continue to administer programs for development of affordable family rental housing. Priority will continue to be given to projects that include affordable family units for the homeless and those at-risk of homelessness, and include supportive services for residents.
- The Planning Department will study the feasibility of "flexible" development projects to accommodate family growth, shrinkage, expansion, and extension. Loft sleeping areas, family rooms and master bedrooms could be designed to ease future conversion to efficiency apartments for family members, or as an income unit.

POLICY 1.8

Allow new secondary units in areas where their effects can be dealt with and there is neighborhood support, especially if that housing is made permanently affordable to lower-income households.

Secondary units (in-law" or "granny units") are smaller dwelling units within a structure containing another much larger unit, frequently in basements, using space that is surplus to the primary dwelling. Secondary units represent a simple and cost-effective method of expanding the housing supply. Such units could be developed to meet the needs of seniors and others who, because of modest incomes or lifestyles, prefer or need small units at relatively low rents. Neighborhood acceptance of secondary units should be encouraged in areas where off-street parking can be provided (it could be tandem parking) and where the secondary unit can be installed without adversely affecting the exterior appearance of the building, or in the case of new construction, can be accommodated within the permitted building envelope. Secondary units should be limited in size to control their impact.

IMPLEMENTATION 1.8

- The Board of Supervisors has introduced Planning Code amendments to allow secondary units in new buildings that are in close proximity to neighborhood commercial districts and public transit.
- The Planning Department will support efforts and promote educational programs that will help residents in existing neighborhoods understand the advantages of incorporating some secondary units in their communities.
- The Planning Department will study the impacts of relaxing parking requirements for secondary units located in all neighborhoods.
- On-going planning will propose Planning Code amendments to encourage secondary units where appropriate.

POLICY 1.9

Require new commercial developments and higher educational institutions to meet the housing demand they generate, particularly the need for affordable housing for lower income workers and students.

New and expanding commercial activities increase the City's employment base. These new jobs are important to the residents of the City and the Bay Area and contribute to the continued economic vitality of the region. The workers filling these jobs also increase the City's need for housing. The City's Jobs-Housing Linkage Program, which exacts fees for affordable housing production from commercial developments, should be enforced and monitored. The fee structure should also be reviewed regularly to ensure fair burden on developers.

Similarly, institutions of higher education provide needed services and contribute to the intellectual and cultural life of the City. At the same time, their non-resident student body

presents a housing need. Higher educational institutions should assist in meaningful ways in the provision of additional housing to meet this demand.

IMPLEMENTATION 1.9

- The Planning Department will continue to support the Jobs Housing Linkage Program, which requires that commercial development provide housing or pay an in-lieu fee.
- Institutions are required to have an Institutional Master Plan that conforms to the General Plan. The Planning Department will evaluate higher educational institutions' student housing programs through the required Institutional Master Plan.

HOUSING RETENTION

OBJECTIVE 2

RETAIN THE EXISTING SUPPLY OF HOUSING.

The existing housing stock is the City's major source of relatively affordable housing. It is very difficult to replace given the cost of new construction and the size of public budgets to support housing construction. Priority should be given to the retention of existing units as a primary means to provide affordable housing.

POLICY 2.1

Discourage the demolition of sound existing housing.

Demolition of existing housing often results in the loss of lower-cost rental housing units. Even if the existing housing is replaced, the new units are generally more costly. Demolition often results in displacement of residents, causing personal hardship and relocation problems.

In 1994, the Planning Commission adopted guidelines regarding housing demolition, for situations when such projects require conditional use approval. In addition to the criteria for demolition approval, the guidelines require replacement housing or in-lieu fees to the City's affordable housing fund as full or partial mitigation for each unit lost. The City should continue to discourage the demolition of existing housing that is sound or can be rehabilitated, particularly where those units provide an affordable housing resource.

IMPLEMENTATION 2.1

- The City will continue to implement the Proposition M policy that requires that existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of neighborhoods.
- The Planning Commission will continue to apply Section 311 of the Planning Code to deny residential demolition permits until approval of a new construction permit is obtained.
- The Department of Building Inspection in consultation with the Planning Department will develop and periodically update criteria and continue to evaluate the soundness of housing before granting demolition approval.
- The Planning Department will continue to require replacement housing or in-lieu fees paid to the City's affordable housing fund as mitigation for the demolition of sound housing units.
- The feasibility of expanding the demolition definition will continue to be evaluated in order to prevent the loss of housing classified as "alterations."

POLICY 2.2

Control the merger of residential units to retain existing housing.

The Planning Commission has adopted policies that require Discretionary Review for all dwelling unit merger applications. The Housing Element, General Plan Priority Policies (Planning Code Section 101.1), and other Planning Commission directives are used to consider merger proposals on a case-by-case basis. Specifically, these criteria state that when reviewing applications for the removal of a legal dwelling unit, the Planning Commission must consider the detrimental effects to the housing supply, landmark designations, and planned owner occupancy. The Planning Commission must also work to minimize displacement, and ensure code compliance and structural safety.

IMPLEMENTATION 2.2

- The Planning Department will continue to require Discretionary Review for all dwelling unit merger applications. Merger proposals will be considered on a case-by-case basis and approved or rejected on their individual merits as they pertain to policies of this Housing Element, the General Plan Priority Policies (Planning Code Section 101.1), and other Planning Commission directives. Detrimental effects to the housing supply, the minimization of displacement hardships, code compliance, structural safety, landmark designations, and planned owner occupancy will continue to be considered during Discretionary Review.

POLICY 2.3

Restrict the conversion of rental housing to other forms of tenure or occupancy.

Conversion of existing rental apartment buildings to condominiums, stock cooperatives or tenants-in-common ownership, depletes the supply of the City's more affordable housing stock. It also brings into conflict two desirable goals — expansion of homeownership opportunities and

preservation of the existing rental housing stock. While conversions to condos, co-ops, and tenancy-in-common expand the number of units available for purchase, they do so by reducing the number of units available for rent. As a result, existing and future tenants who cannot buy at that time can be displaced. Similarly, the use of large, older apartment buildings for time-sharing or corporate suites can cause displacement of existing residents.

In general, conversions should not shift the balance between ownership and rental housing, and should protect potentially displaced tenants to the maximum extent possible. Closely evaluating proposed conversions and limiting the number of conversions annually, should achieve a reasonable balance between ownership and rental housing. Conversion of rental housing to time share or corporate suite use should be prohibited.

IMPLEMENTATION 2.3

- The City will continue to limit the conversion of rental housing with the Condominium Conversion Ordinance. This ordinance limits the annual number of units converted and allows only small projects with owner occupants to be considered for conversion. Conversion approval will continue to require a high degree of tenant intent to purchase their rental unit as a condition of approval. The conversion criteria include Tenant Rights Rules. Renters are given the right to purchase their unit at a price established by the owner or they can choose to rent the unit at their current rent for one year after the conversion is complete. Tenants who are 62 or older are entitled to a lifetime lease.
- The City will evaluate requiring sales price limitations on existing low and moderate-income housing units that are proposed for conversion.
- The City will study requiring a portion of any condominium conversion subdivision to remain permanently affordable and requiring developers to construct an equivalent number of similar units elsewhere or pay an equivalent in lieu fee to the City's Affordable Housing Development Fund.

- Conversions to uses other than housing should not be permitted unless a specific evaluation by the Planning Commission concludes that there is clear and convincing evidence that such conversion is the only recourse in the interest of the common weal.

POLICY 2.4

Retain sound existing housing in commercial and industrial areas.

Many parts of San Francisco were developed before there were zoning regulations that separated various types of land uses. As a result, thousands of housing units were built in areas that also contain industrial and commercial uses and have since been zoned industrial or commercial. Many of these housing units are sound or could be rehabilitated. They represent a significant portion of the City's affordable housing supply and would be very difficult to replace. Yet, in many of the areas that such housing is located, it could be profitable to convert to a non-residential use.

In many neighborhood shopping areas, conversions of upper floor housing units to non-residential use are subject to conditional use review. Under such review, the desirability of retaining the housing can be weighed against the public benefits to be gained by the alternative use. As a general rule, conversion should be considered only for needed neighborhood serving commercial activities that cannot reasonably locate elsewhere in the commercial district. Similarly, in downtown commercial districts, conversion to non-residential use should be subject to conditional use review.

Housing enclaves in industrial areas should be protected by residential or special use district zoning, so that conversion to non-residential uses cannot take place. However, the continuation of residential uses on scattered and isolated lots within developed industrial areas can cause conflict with legitimate industrial needs. Here, conversion should be a conditional use so that the specific industrial need can be weighed against the need to conserve housing.

IMPLEMENTATION 2.4

- The Planning Department will continue to support existing housing in commercial and industrial areas by regulating conversions as provided in the Planning Code.
- As part of the Planning Department's current citywide action plan, planning efforts in the eastern neighborhoods of the City, where housing exists in commercial and industrially zoned districts, should address housing retention as new policies and zoning are established. Mixed use should be encouraged where appropriate.

POLICY 2.5

Preserve the existing stock of residential hotels.

Residential or single-room occupancy hotels (SROs) represent a unique and often irreplaceable resource for thousands of lower income elderly, disabled, and single-person households. Most of these hotels are close to downtown and have been subject to strong economic pressures that led to conversion or demolition. As San Francisco grew as a tourist center, many of these hotels have been converted to permanent or seasonal tourist uses. Others have been demolished and replaced with other uses. Some of these SROs are being used as family housing. In the City's tight housing market, some downtown SROs have also become dormitories and efficiency apartments for nearby educational institutions. In the last five years, fires and other safety code violations have displaced hundreds of low-income residents.

The retention of remaining units housing permanent residents should be supported. Residential hotels located in predominantly residential areas should be protected by zoning that does not permit commercial or tourist use. In non-residential areas, conversion of units to other uses should not be permitted or be permitted only where a residential unit will be, or has been, replaced with a comparable unit elsewhere. For those hotels that are operated as mixed tourist/permanent resident hotels, strict enforcement is needed to ensure that the availability of the hotel for permanent residential occupancy is not diminished. The Residential Hotel

Ordinance currently regulates and protects the existing stock of residential hotels. This ordinance requires permits for conversion of residential hotel rooms, has a strong replacement provision, and requires 80% of cost of replacement to be provided to the City in the case of conversion or demolition. The City should facilitate the purchase and master lease of residential hotels by non-profit entities for the purpose of improving the quality of the housing and achieving long-term affordability.

IMPLEMENTATION 2.5

- The Department of Building Inspection and the San Francisco Fire Department will continue to regulate the safety of these buildings through annual inspections.
- The City will continue to facilitate the transfer of residential hotels to effective non-profit housing organizations to ensure permanent affordability, livability, and maintenance.
- The City will work to reauthorize the Single Room Occupancy Hotel Safety and Stabilization Task Force set to expire in 2003. This task force will continue to monitor, develop and present recommendations to San Francisco Mayor and Board of Supervisors regarding policies and procedures around fire prevention, investigations and prosecution of SRO violators, and stabilization of hotel tenants and residents.

POLICY 2.6

Consider legalization of existing illegal secondary units where there is neighborhood support and the units can conform to minimum Code standards of safety and livability and the permanent affordability of the units is assured.

It is estimated that over 20,000 housing units in the City were built without a building permit. These units may exceed allowable densities, may not provide for current parking requirements, or may not meet minimum standards set forth in the San Francisco Building Code. However,

these units constitute a major source of affordable housing in the City and their loss would dramatically increase pressure on the housing market.

Proposals to allow legalization of secondary units under certain conditions have been made over the years but have not been adopted because of neighborhood opposition. Some units have been eliminated through abatement proceedings, largely originated by complaints, while additional units continue to be created without permits. The City should develop procedures to legalize existing illegal secondary units and bring them into code compliance.

IMPLEMENTATION 2.6

- Consistent with Policy 2.6, study the legalization of existing secondary units. This study will examine: the reduction of permitting fees and elimination of additional penalties to make legalization an attractive option for owners; ways to address neighborhood concerns as to the legalization of secondary units; regulation which might be required to mitigate neighbors' concerns about off-street parking; and implementation mechanisms for keeping secondary units affordable.

HOUSING CONDITION

OBJECTIVE 3

ENHANCE THE PHYSICAL CONDITION AND SAFETY OF HOUSING WITHOUT JEOPARDIZING USE OR AFFORDABILITY.

Over one-half of San Francisco housing is more than 60 years old. As the City's housing stock ages, maintenance becomes increasingly important. Considerable private investment into the renovation of some of the City's older housing units has lessened the need for some types of direct public intervention used in the past. There is, however, a continuing housing rehabilitation need. The City should monitor those areas of the city particularly susceptible to a decline in housing quality, and take appropriate remedial steps where necessary.

POLICY 3.1

Ensure that existing housing is maintained in a decent, safe, and sanitary condition, without increasing rents or displacing low-income households.

The City should ensure that residential units meet building code standards by periodic inspection of apartments and hotels and prompt response to complaints. Code compliance activities should be designed to minimize any financial hardship for lower income households brought on by required rehabilitation. Low interest and deferred payment loan programs should be targeted to low and moderate-income tenants.

IMPLEMENTATION 3.1

- The San Francisco Department of Building Inspection will continue to ensure that residential units meet building code standards by responding to complaints and through periodic inspection of apartments and hotels.

- The Department of Building Inspection will continue to issue code violations for residential properties that are not decent, sanitary, or safe. If violations are repeatedly ignored and not corrected, the City Attorney's Office will continue to assist in abatement.
- The Mayor's Office of Housing will continue to offer low interest and deferred payment loan programs designed to target and benefit low-income homeowners including the Code Enforcement Rehabilitation Fund (CERF) and Community Housing Rehabilitation Program (CHRP).
- The Mayor's Office of Housing will continue to provide funds for rehabilitating existing housing with affordability restrictions in order to improve living conditions for tenants and extend the properties' useful life as affordable housing.

POLICY 3.2

Preserve at risk, privately owned assisted housing.

Privately owned and operated assisted housing is under continuing pressure to convert to market rate housing. Existing funding levels for some developments have either failed to keep pace with actual costs or have less than favorable returns, causing owners to convert units to market rate or sell their properties outright, and thereby removing units from the stock of assisted housing. Policies are needed to encourage the retention of the existing assisted housing stock wherever possible.

IMPLEMENTATION 3.2

- The San Francisco Redevelopment Agency will continue to support the acquisition and rehabilitation of multi-family and senior housing that is at risk of being converted to market rate due to the expiration of existing rental subsidy contracts or the prepayment of HUD-insured mortgages.

POLICY 3.3

Maintain and improve the condition of the existing supply of public housing.

The San Francisco Housing Authority is the largest landlord in San Francisco with over 6,200 units, and is one of the most important sources of permanently affordable housing for low-income households. Operating subsidies and modernization funds provided by the Federal government have not been adequate to keep this conventional public housing in sound condition. Increased Federal support, innovative local financing techniques, energy efficiency measures, and creative property management and customer service are all required to maintain and improve this valuable supply of affordable housing. Additionally, inter-agency collaboration and long-range plans for public housing are being developed, including identifying opportunities for potential mixed income in-fill development in underused lands and where consistent with overall social goals.

IMPLEMENTATION 3.3

- The San Francisco Housing Authority will continue to administer the HOPE VI grants. Recent grants will help revitalize five housing sites and provide 1,228 affordable housing units. Additional funds will add 137 accessible and 207 adaptable apartments to the SFHA stock.
- The San Francisco Housing Authority will continue to manage other publicly assisted projects. Capital Fund Program (CFP) and Community Development Block Grants (CDBG) will assist in sustaining comprehensive modernization and capital improvements at SFHA sites. The average annual operating funding is \$15 million, and its focus is to stabilize living conditions in the current housing stock.
- The San Francisco Housing Authority will continue to maintain communication between housing organizations in the city through the CHAS Public Housing Subcommittee. The San Francisco Housing Authority has created the San Francisco Housing Corporation, a 501(c)3 non-profit corporation which leverages and maximizes resources and assists in the sustainability of programs for low-income households.

POLICY 3.4

Monitor the correction of serious continuing code violations to prevent the loss of housing.

Code enforcement on hardship cases can present particular housing challenges. In some cases, compliance with full requirements should be deferred to the extent legally permissible if all life safety hazards are abated. In particular, the City should extend the period allowed for code compliance to avoid displacement of low- or moderate-income households until replacement housing can be found.

Where there is a refusal to correct serious but remediable violations, the City should exercise its ability to make the repairs and recover the costs by putting a lien on the property. In aggravated cases, the buildings can be placed in City receivership. Public assistance should then be provided to maintain affordability levels.

IMPLEMENTATION 3.4

- The Mayor's Office of Housing will continue to administer and promote the Code Enforcement Rehabilitation Fund (CERF) program to correct building code violations in housing for low-income residents.
- The City will continue to abate serious, repeated, building code violators.
- The City Attorney's Code Enforcement Task Force will continue its activities.

POLICY 3.5

Improve the seismic stability of existing housing without reducing the supply of affordable housing.

Despite substantial retrofitting efforts in the last decade following the Loma Prieta earthquake, there are about 8,590 residential units in unreinforced masonry buildings in San Francisco that

require structural strengthening. Because these buildings are not sufficiently reinforced and the floors are not adequately tied to the walls, they are vulnerable to damage or collapse in an earthquake. Residential hotels, which are predominantly occupied by persons of relatively low incomes, make up much of these buildings at risk. These remaining buildings are located in the South of Market, the Tenderloin, Chinatown, and along the Bush Street and Van Ness Avenue corridors. Retrofitting programs should safeguard affordability and minimize displacement of low-income residents.

In addition to unreinforced masonry buildings, there are other residential buildings that are also vulnerable to damage in an earthquake. In many cases, property owners can undertake relatively inexpensive measures such as bolting frames to foundations and installing shear walls where needed. The Office of Emergency Services has updated and improved the City's Emergency Preparedness Plans. The City should continue its building seismic safety informational programs and also pursue technical assistance programs targeting earthquake safety precautions. These issues are also addressed in the Community Safety Element of the General Plan.

IMPLEMENTATION 3.5

The Seismic Safety Bond Program will continue to fund the seismic rehabilitation of unreinforced masonry buildings to the extent that demand for funds continues to exist.

- The City Department of Building Inspection (DBI) will continue to mandate the seismic retrofit of unreinforced masonry buildings.
- The DBI is also developing a Community Action Plan for Seismic Safety (CAPSS) which is investigating the impacts of potential earthquakes and developing policies and programs to reduce these impacts.

POLICY 3.6

Preserve landmark and historic residential buildings.

The preservation of landmarks and historic buildings is a priority policy of the City's General Plan. Landmarks and historic buildings are important to the character and quality of the City's neighborhoods and are also important housing resources. A number of these structures contain housing units particularly suitable for larger households and families with children. More specific policies for these buildings will be contained in the Preservation Element, currently being prepared.

IMPLEMENTATION 3.6

- The Planning Commission will review and adopt the Preservation Element of the General Plan.
- The Planning Department and the Department of Building Inspection will continue to regulate the preservation and protection of landmark and historic buildings by monitoring use, alterations, and demolition.
- The City will continue to implement the Proposition M priority policy that landmarks and historic buildings be preserved.
- The Planning Department's Citywide Cultural Resource Survey program is a multi-year effort that will document resources in neighborhoods and commercial areas throughout San Francisco.
- The Mayor's Office of Housing and the Redevelopment Agency will continue to fund the acquisition and rehabilitation of landmark and historic buildings for use as affordable housing.

- The Planning Department will encourage property owners to use preservation incentives to repair, restore, or rehabilitate historic resources in lieu of demolition. These include federal tax credits for rehabilitation of qualified historical resources, Mills Act property tax abatement programs, the State Historic Building Code, and tax deductions for preservation easements.
- The Planning Department will continue to assist in federal environmental review and review under Section 106 of the National Historic Preservation Act for historically significant local buildings receiving federal assistance.

HOUSING AFFORDABILITY

OBJECTIVE 4

SUPPORT AFFORDABLE HOUSING PRODUCTION BY INCREASING SITE AVAILABILITY AND CAPACITY

POLICY 4.1

Actively identify and pursue opportunity sites for permanently affordable housing.

Publicly owned land represents one potential source of sites for affordable housing. Government agencies should actively maintain an inventory of land within their jurisdiction and, with the Planning Department, identify sites with the potential to support housing development. This evaluation could include options for joint development or relocation of current facilities to other sites. Such appropriate and available public land, along with other financial subsidies, should

then be considered for the development of housing. Priority should be given to immediate development of those public sites where 100% permanently affordable housing is achievable.

Large and privately held land parcels should also be identified and actively promoted for affordable housing. New programs should be established to acquire land and appropriate buildings for land and building “banking” in advance of specific project proposals.

While housing development can be incompatible with certain industrial uses and threaten viable activities, housing opportunity areas may exist in the primarily non-residential areas on the eastern side of the City. Land use analyses should continue and identify housing opportunity areas in the five Eastern Neighborhoods of South of Market, the Mission, Potrero/Showplace Square, South Bayshore, and Visitacion Valley. Any rezoning of industrial land to residential use should include requirements, incentives and bonuses to encourage the development of attractive and affordable housing. Program Environmental Impact Reports (EIRs) should be developed for those areas with sufficient detail to eliminate need for subsequent project EIRs on residential projects.

IMPLEMENTATION 4.1

- The City’s Affordable Housing Fund provides funds to the Mayor’s Office of Housing (MOH) to respond to housing opportunities in areas of the City that are not in Redevelopment Agency Project or Survey Areas and outside Mission Bay. This fund, derived from payment of fees to the City by office, entertainment, hotel, retail, and research and development developers, will continue to be used to construct new affordable housing.
- The City’s Housing Participation Policy provides for affordable housing to be developed as part of market-rate housing developments in all redevelopment project areas on-site or an in-lieu fee is imposed.
- The City will explore land banking in advance of specific project development proposals when possible.

- The City will work to identify underutilized, vacant, and brownfield sites that are publicly or privately owned and suitable for affordable housing development. The City will work with for profit and non-profit housing developers to acquire these sites for permanently affordable housing.
- Program EIRs will be developed for new planning areas included in the Citywide Action Plan with sufficient detail to eliminate the need for subsequent project EIRs on future permanently affordable housing. Wherever the capacity for development is increased through rezoning or other regulation changes, commensurate requirements for public benefits, including increased housing affordability and community amenities for livability should be required.
- Permanently affordable housing sites will be especially sought out in places where transportation and existing amenities are in place.
- The revised Land Use Element will identify appropriate sites for permanently affordable housing.

POLICY 4.2

Include affordable units in larger housing projects.

Inclusion of affordable housing is currently required of new housing projects containing 10 or more units. Although preference is given to on-site inclusionary housing to ensure economic integration in housing development, off-site construction should be considered if this results in significant numbers of new affordable housing. The City's inclusionary affordable housing program should be monitored and reviewed regularly to ensure fair burden and not constrain new housing production.

IMPLEMENTATION 4.2

- The Planning Department will implement its recently updated Inclusionary Affordable Housing requirement, which requires 10% to 17% of units in all projects with 10 units or more be made affordable.
- The Mayor's Office of Housing will continue to administer the sales and leasing of units created through the Inclusionary Affordable Housing program. MOH will develop proposals to ensure availability of adequate funding to administer the inclusionary program.
- The San Francisco Redevelopment Agency will implement its Housing Participation Policy to require affordable housing through its owner participation and land disposition process.
- If housing projects are built on city-owned property, the percentage of affordable housing units should be increased and the units should be affordable to less than 60% of the Area Median Income for renters and less than 100% of the Area Median Income for home owners.

POLICY 4.3

Encourage the construction of affordable units for single households in residential hotels and "efficiency" units.

San Francisco has a relatively large stock of older residential hotels. The 1995 Single Room Occupancy Guidelines and accompanying Planning Code changes affecting densities, provision of kitchen facilities and parking now regulate the creation of these types of units. The Yerba Buena Commons, completed in 1995, demonstrated that it is possible to provide small but good quality units for single persons. Appropriate sites and sponsors for both market rate and affordable residential hotels should be developed.

IMPLEMENTATION 4.3

- Restrictive regulations in the Building and Planning Code will be studied by the Planning Department for possible modification.
- Appropriate sites and sponsors for affordable residential hotels will be identified through a coordinated effort between the Planning Department, the Mayor's Office of Housing and the Redevelopment Agency.
- Affordable housing advocacy groups will be encouraged by the City to hold project specific neighborhood acceptance community meetings when SRO housing developments are proposed in particular neighborhoods.
- The City will require that qualified property management companies be responsible for operating newly constructed SROs so that the facilities and associated services will be properly maintained and suitable for occupancy in the future.

POLICY 4.4

Consider granting density bonuses and parking requirement exemptions for the construction of affordable housing or senior housing.

Current state law calls for adoption of an ordinance permitting a 25% density bonus for projects which provide 20% of the units for lower-income households, 10% of the units for very-low-income households, or 50% of the units for senior citizens. The City should allow higher density bonuses where such housing will not disrupt neighborhood character or scale. The current code allows a density bonus for units designed for seniors and/or disabled occupants in R and NC districts. The current Planning Code provision of establishing special use district overlays for projects that are 100% affordable should be reconsidered; density bonus standards and other requirements uniformly applied citywide. Density bonuses should be conferred only when public benefits are provided.

IMPLEMENTATION 4.4

- The Planning Department will look at establishing uniform density bonus standards and equal requirements for affordable and senior housing development. Until then, affordable and senior housing projects will continue to be granted density bonuses and reduced parking requirements on a case-by-case basis.
- The Planning Department will investigate appropriate parking requirements for all affordable or senior housing projects.

POLICY 4.5

Allow greater flexibility in the number and size of units within established building envelopes, potentially increasing the number of affordable units in multi-family structures.

In San Francisco, housing density standards have traditionally been set in terms of numbers of dwelling units in proportion to the size of the building lot. For example, in an RM-1 district, one dwelling unit is permitted for each 800 square feet of lot area. This limitation generally applies regardless of the size of the unit and the number of people likely to occupy it. Thus a small studio and a large four-bedroom apartment both count as a single unit. Setting density standards encourages larger units and is particularly tailored for lower density neighborhoods consisting primarily of one- or two-family dwellings.

However, in some areas which consist mostly of taller apartments and which are well served by transit, the volume of the building rather than number of units might more appropriately control the density. Here the building envelope, as established by height, bulk, set back, parking and other Code requirements, would set the maximum residential square footage which could be subdivided into a greater number of smaller units or a smaller number of larger units.

IMPLEMENTATION 4.5

- The Planning Department will explore ways to promote flexibility within a given building envelope to build a variety of unit types, ranging from a greater number of smaller units to fewer larger family units.

POLICY 4.6

Support a greater range of housing types and building techniques to promote more economical housing construction and potentially achieve greater affordable housing production.

Prefabricated or manufactured homes can be a valuable source of low cost housing. At its best, manufactured housing uses high technology and mass production techniques to reduce costs without sacrificing quality of design. Industrialized wood construction techniques used in lower density housing and light-weight prefabricated, pre-stressed concrete construction in moderate and high density housing also have the potential of producing great savings in construction time and cost. The use of these and similar techniques should be encouraged. Their use as temporary, emergency or transitional shelter on otherwise unutilized sites should be explored.

IMPLEMENTATION 4.6

- A low cost housing construction task force will be formed between the Mayor's Office of Housing, Department of Building Inspection, the Planning Department and the housing design and construction industry.
- In order to lower cost, the building industry will be encouraged to investigate the use of industrialized wood construction techniques in lower density housing, and the use of lightweight prefabricated, pre-stressed concrete construction, in moderate and high density housing.

- Allow secondary units in conformance with Policy 1.8.
- The City will work to encourage manufactured home production, per California law (Government Code 65852.3) that permits all manufactured homes built under HUD guidelines and on a foundation to be placed on lots zoned for conventional single-family residential dwellings.
- The Planning Department will encourage industry representatives to develop a model site to showcase the manufactured home product. This site will be used to educate the public with good models and dispel negative attitudes and inaccurate perceptions of manufactured home production.
- The Planning Department will write architectural compatibility guidelines to ensure that manufactured homes will blend into existing neighborhoods and alleviate public concern over design compatibility.
- The Planning Department will continue to support developers constructing co-housing, shared housing and group housing.
- The City will work with housing advocates to educate residents about the misconceptions of shared housing.
- Design zoning controls that meet the specific needs of artists.

OBJECTIVE 5

INCREASE THE EFFECTIVENESS AND EFFICIENCY OF THE CITY'S AFFORDABLE HOUSING PRODUCTION SYSTEM.

POLICY 5.1

Prioritize affordable housing projects in the planning review and approval processes, and work with the development community to devise methods of streamlining housing projects.

The Planning Department's review and approval of affordable housing projects should be improved to reduce costly and significant delays. Without diminishing public participation, the administrative processing and approval of affordable housing should be expedited through administrative action, local and State legislation.

IMPLEMENTATION 5.1

- The City will advocate for the shortening of the time period for environmental review under the California Environmental Quality Act (CEQA) for affordable housing projects.
- City agencies will work to expedite affordable housing applications.
- The Planning Department will establish a program for preparing Area Plan Environmental Impact Reports (EIRs) for affordable housing project sites to eliminate the need for conditional use permits and subsequent EIRs.
- The Planning Department will develop a streamlining process to consolidate the public hearing process and avoid duplicative discretionary hearings and appeals.
- Affordable housing advocacy groups and project sponsors will be encouraged by the City to conduct project specific neighborhood workshops to foster neighborhood understanding and acceptance of affordable housing projects.
- The City Attorney's office will work to establish neighborhood dispute resolution methods to minimize administrative appeals and judicial challenges of projects.

POLICY 5.2

Support efforts of for-profit and non-profit organizations and other community-based groups and expand their capacity to produce and manage permanently affordable housing.

Non-profit housing development corporations have proven to be effective vehicles for the development of affordable housing. The City should continue to provide them with the technical and financial assistance to increase their production capacity and encourage and invite for-profit developers to build equivalent housing.

IMPLEMENTATION 5.2

- The Mayor's Office of Housing and the San Francisco Redevelopment Agency will continue to fund and provide technical support to non-profit housing corporations and invite and encourage for-profit builders to avail of the same opportunities.

POLICY 5.3

Create greater public awareness about the quality and character of affordable housing projects and generate community-wide support for new affordable housing.

Affordable housing projects are frequently delayed or withdrawn because of community opposition. Greater public awareness of affordable housing challenges and potential solutions is needed to gain broader, long-term support for housing strategies.

IMPLEMENTATION 5.3

- City agencies and housing advocacy groups will coordinate community outreach efforts that support neighborhood acceptance of permanently affordable housing developments.
- The City will continue to support affordable housing by publicizing permanently affordable developments with good design and effective management.

- Past affordable housing developments should be evaluated and their actual achievements documented and publicized.
- Continuing problems associated with these developments should be examined and rectified, and appropriate corrections made in future developments.

POLICY 5.4

Coordinate governmental activities related to affordable housing.

The City is required by federal Department of Housing and Urban Development (HUD) to prepare a five year Consolidated Plan to guide community development and housing assistance programs. The Consolidated Plan is the compilation of a coordinated effort between federal, state and local agencies that contribute to the production of housing and related services in San Francisco. This Plan was recently submitted to HUD in 2000.

IMPLEMENTATION 5.4

- The Mayor's Office of Community Development and the Mayor's Office of Housing will continue to draft and distribute the Consolidated Plan.
- The Planning Department will continue to work with the Redevelopment Agency and Mayor's Office of Housing to devise clear and consistent application procedures for homeownership programs.

OBJECTIVE 6

PROTECT THE AFFORDABILITY OF EXISTING HOUSING.

POLICY 6.1

Protect the affordability of units in existing buildings at risk of losing their subsidies or being converted to market rate housing.

A number of subsidized housing developments were created with federally supported mortgages and project-based rental assistance. Many of these projects have reached the 20-year mark and the owners of the developments have an option to prepay existing mortgages and terminate the project-based rental assistance contracts.

IMPLEMENTATION 6.1

- The City will continue to advocate at both the state and federal levels, for the preservation of housing subsidies. MOH and SFRA will continue to work with state and federal agencies to develop programs to assist HUD sponsored housing with expiring subsidies.
- The San Francisco Redevelopment Agency will continue to administer the Preservation of At-Risk Existing Affordable Housing program.
- In order to prevent the loss of affordable housing resulting from early termination of HUD mortgages, the City will explore the creation of a residents and/or non-profit ownership and management program to acquire existing “at risk” buildings.
- The City will work to prioritize relocation of tenants who lose Section 8 subsidies.
- SFRA will continue to advocate for local, state, and federal legislation that supports local efforts to preserve at-risk developments.

- SFRA will continue to assist developers interested in preserving the affordability of at-risk housing.
- The City will continue to enforce the City's preservation ordinance that requires proper notification prior to transfer of an at-risk development.

POLICY 6.2

Ensure that housing developed to be affordable is kept affordable.

Affordable housing units that are created by various City actions should be required to remain affordable for as long a period as is legally permissible and financially practicable. The necessity of such requirement is underscored by the magnitude of the potential loss of existing HUD-financed affordable rental units that had a 20-year period for continuance of below market rents. In the past, locally assisted units have been required to remain at affordable rental rates or sales prices for periods as short as ten years. As the experience with expiring HUD contracts indicates, expiration dates arrive all too soon and a problem thought to be solved becomes a problem again. Most recently, the City has imposed 50- to 75-year terms. If legally permissible and financially practicable, an even longer term should be required. Sufficient evidence should be required from applicants to prevent affordable housing units from being occupied by unqualified parties.

IMPLEMENTATION 6.2

- Affordable housing funded by MOH and SFRA will be required to maintain affordability as long as legally permissible and financially practicable. This requirement will continue to be enforced by Regulatory Agreements and other legally binding instruments.
- The City will ensure all publicly supported affordable rental housing projects remain permanently affordable through the use of grant or financing restrictions that regulate rents and tenant incomes.

POLICY 6.3

Safeguard tenants from excessive rent increases.

In recent years the demand for the limited housing supply has resulted in substantial rent increases. Sometimes this has caused displacement or economic hardship. The regulatory process that stabilizes rent levels protects tenants from excessive rent increases and arbitrary eviction while at the same time allowing the landlord a fair rent and sufficient incentives to maintain housing quality should be maintained.

IMPLEMENTATION 6.3

- The Rent Control Board safeguards tenants from excessive rent increases under the Residential Rent Stabilization and Arbitration Ordinance.

POLICY 6.4

Achieve permanent affordability through community land trusts and limited equity housing ownership and management.

The American dream of homeownership is beyond the reach of many San Francisco households. First-time homebuyer programs sponsored by the City and private lending institutions should be encouraged and broadened to include second mortgage loan pools or other appropriate mechanisms to help buyers meet down-payment requirements. To stem speculation, such housing programs should include affordability restrictions. Conversion of buildings by their tenants to limited equity cooperatives and condominiums can stabilize prices and, as general home sales prices increase over time, can lower housing costs. The City should encourage these forms of ownership.

IMPLEMENTATION 6.4

- The Mayor's Office of Housing will continue to administer first time homebuyer programs, which includes the City Second Loans, the Condominium Conversion Program, and the Inclusionary Affordable Housing Program.
- The City will investigate the feasibility of community land trusts and other alternative ownership models.
- The City will continue to work to ensure that publicly funded homeownership projects remain affordable through deed and lease restrictions, and where practical, limit equity return so that homeownership remains affordable.

POLICY 6.5

Monitor and enforce the affordability of units provided as a condition of approval of housing projects.

Over the years, the city has in certain instances required the provision of affordable housing units as a condition of approval of a project. Monitoring and enforcement are needed to ensure the continued availability of these units. Stiff penalties for non-compliance should be created to provide strong economic disincentives against loss of required affordable housing units. Sufficient evidence should be required from applicants to prevent affordable housing units from being occupied by unqualified parties.

IMPLEMENTATION 6.5

- The Mayor's Office of Housing and the City Attorney's Office will continue to monitor compliance with affordability and occupancy restrictions.

- The Mayor's Office of Housing and the Planning Department will work to establish an adequate fee system to financially support the costs of a comprehensive affordable housing monitoring program.

OBJECTIVE 7

EXPAND THE FINANCIAL RESOURCES AVAILABLE FOR PERMANENTLY AFFORDABLE HOUSING.

POLICY 7.1

Enhance existing revenue sources for permanently affordable housing.

Existing financial programs, including Federal and State low-income tax credits and various HUD programs, should be maintained at maximum levels. Extensive lobbying efforts at State and Federal levels need to be carried out to protect the existing programs and create new ones. Joint metropolitan and statewide efforts to develop more creative revenue resources should be supported.

Incremental tax revenues in Redevelopment project areas can be used for affordable housing. The Redevelopment Agency has a policy of allocating at least 50% of its increment funds for low and moderate income housing construction or renovation.

IMPLEMENTATION 7.1

- The City supports efforts and advocate for the expansion of federal and state financing for affordable housing.

- The San Francisco Redevelopment Agency will continue to promote permanent affordable housing by approving the construction of housing in designated redevelopment areas and by providing financing for the development of affordable housing throughout the city.
- The Mayor's Office of Housing will continue to provide funding to increase and preserve the stock of affordable rental and ownership housing units for the City's very low to moderate income population. The Mayor's Office of Housing will continue to monitor projects on an annual basis that receive affordable housing funds to ensure on-going compliance.
- The Planning Department and the Mayor's Office of Housing will periodically reassess the fee levels of the Jobs-Housing Linkage Program, whereby new office developments are obligated to assist in the production of housing, to determine their adequacy and appropriate adjustments should be made.
- The Department of Human Services and the Department of Public Health will continue to offer operating subsidies for special needs housing through their supportive housing programs.
- The San Francisco Redevelopment Agency will continue to administer the Tax Increment Housing Program and the Housing Opportunities for People with AIDS Program (HOPWA).

POLICY 7.2

Create new sources of revenue for permanently affordable housing, including dedicated long-term financing for housing programs.

New revenue sources are needed if the City is to make a significant dent in the need for affordable housing. A major source of new revenue to the City that could be allocated to

affordable housing is the real estate transfer tax. Increasing the current tax rate and devoting much of the increased revenue to preservation of affordable housing (see Objective 5) and to new affordable housing development should be given high priority.

IMPLEMENTATION 7.2

- The City will investigate an increase in the real estate transfer tax.
- To the extent feasible, the City will continue to periodically issue affordable housing development bonds.
- The Mayor's Office of Community Development programs will continue to address emergency shelter needs and the Mayor's Office of Housing will continue to administer programs relating to transitional and permanent housing needs.

POLICY 7.3

Develop greater investments in and support for affordable housing programs by corporations, churches, unions, foundations, and financial institutions.

Greater corporate investment in and support for affordable housing should be encouraged. Churches are an untapped source of funding and land, as are dozens of local foundations and trade unions. The City should seek to better coordinate these efforts.

IMPLEMENTATION 7.3

- The City will continue to work with local financial institutions and non-profits to provide credit opportunities to low- and moderate-income individuals and households.
- The City will continue to work with local financial institutions to meet their community reinvestment obligation under the Community Reinvestment Act.

- The Mayor's Office of Housing will continue to work to better coordinate local affordable housing efforts through the Consolidated Plan process.

HOUSING CHOICE

OBJECTIVE 8

ENSURE EQUAL ACCESS TO HOUSING OPPORTUNITIES.

Population diversity is one of San Francisco's most important assets. To retain this diversity, a variety of housing opportunities should be available. Households should be able to choose the form of tenure most suitable to their needs, from either a rental or an ownership housing stock. A variety of unit sizes is also important, so that both larger and smaller households can be accommodated in adequate numbers. Units of varied costs are necessary to provide opportunities for households of different income levels. Finally, there should be units with special features and services suitable for households with special needs.

Social and economic factors can discriminate against certain population groups and limit their housing opportunities, leading to patterns of economic and racial segregation. Families with children are constrained by the types, sizes, and cost of units available to them. Access to units suitable for larger households tends to be limited by erosion of the older housing stock and discriminatory rental practices. Standard housing units with special features for elderly and handicapped persons are also in short supply. Housing that meets the needs and is affordable for artists is also lacking. If San Francisco is to retain its economic, racial, and cultural diversity, opportunities should be expanded for population groups for whom affordability and accessibility are crucial.

POLICY 8.1

Encourage sufficient and suitable rental housing opportunities and emphasize permanently affordable rental units wherever possible.

Since approximately two-thirds of San Francisco's residents are renters, the availability of sound and affordable rental housing is of major importance, especially for the young and elderly populations and low and moderate income families who tend to rent their residence. Low vacancy rates and high rents are indicators of a continuing demand for rental housing. The City should make a concerted effort to do what is within its control to encourage the development of permanently affordable rental housing.

IMPLEMENTATION 8.1

The Mayor's Office of Housing will continue to implement affordable rental housing programs for families, seniors, and households with special needs.

- City Agencies and non-profits will continue to implement subsidy, development and land use programs that preserve existing rental housing and encourage the development of new rental housing, particularly permanently affordable rental housing. The City will ensure that all newly constructed, publicly supported affordable rental housing projects remain permanently affordable through the use of grant or financing restrictions that regulate rents and tenant incomes
- Ensure that the First Source Hiring Program is fully implemented, thus aiding people's ability to afford housing.

POLICY 8.2

Employ uniform definitions of affordability that accurately reflect the demographics and housing needs of San Franciscans.

Median income figures are reported by the U.S. Department of Housing and Urban Development for the three county area comprised of San Francisco, Marin and San Mateo counties, referred to as the Primary Metropolitan Statistical Area (PMSA). Because average incomes are higher in Marin and San Mateo than they are in San Francisco, there is an upward bias to the numbers. For example, in 2000, the PMSA median family income was \$74,900. The 2000 Census, however showed that the median family income for the City and County of San Francisco was \$63,545 – about 85% of the area median income for the three county area covered by the PMSA.

	Maximum HUD Income	Goal for Average SF Incomes
Rental Programs		
Low Income	80% of AMI	60% of AMI
Very Low Income	50% of AMI	
Ownership Programs		
Moderate Income	120% of AMI	100% of AMI

In order to ensure that households at lower income levels are adequately served, the city's programming for affordable housing should target households at incomes lower than 85% of median. This has been done, for example, in rental projects in which the city is providing subsidy (land or financing or both) where the affordable rental units are required to be equal to or less than 60% of the PSMA median.

IMPLEMENTATION 8.2

- The Mayor's Office of Housing administers the annual affordability standards established by HUD to the various city agencies. The Planning Department will work with the Mayor's Office of Housing and the various City agencies to periodically review these standards for adequacy.
- The City will work to adopt income limits for affordable housing programs that target assistance to households who are low income by San Francisco standards, as well as meet the HUD area median requirements.

- The Mayor's Office of Housing and the San Francisco Redevelopment Agency will continue to establish goals for programs and individual projects to ensure that, to the maximum extent feasible, they serve households at a variety of income levels, rather than just households at the top of eligible income ranges.

POLICY 8.3

Ensure affirmative marketing of affordable housing.

Periodic reporting on the composition of resident populations in various publicly supported housing projects and affordable units required as a condition of permit approval should be required to facilitate compliance monitoring. Counseling and education to maintain housing rights should be promoted.

The State and Federal Housing requirements regarding displacement prohibitions, and other restrictions where affordable housing rehabilitation or construction might impact the community, should be adopted as City policy. Available affordable housing should be advertised in multi-lingual media to ensure fair marketing practice. The City should monitor and strictly enforce these requirements. The City's Human Rights Commission protects persons from housing discrimination on the basis of race, religion, color, ancestry, age, sex, sexual orientation, gender identity, disability, place of birth, HIV/AIDS status, weight or height, families with minor children, source of income, and economic discrimination. Community forums including the Human Rights Commission should be provided in order to diffuse unwarranted opposition to affordable housing.

IMPLEMENTATION 8.3

- The City's Human Rights Commission (HRC) will continue to support and monitor the Fair Housing Access laws and advise the Mayor's Office of Housing and the Mayor's Office on Disability on issues of accessibility and impediments to Fair Housing. The

HRC will investigate and mediate discrimination complaints. When appropriate, the HRC will provide referrals to other government agencies.

- The HRC will continue to assist in resolving landlord-tenant problems in rental housing, including single room occupancy hotels.
- The San Francisco Redevelopment Agency and the Mayor's Office of Housing will continue to monitor leasing and sales of assisted housing developments to ensure compliance with affirmative marketing goals and income and rent restrictions.
- The City will continue to require periodic reporting on the composition of resident populations in publicly supported housing projects and affordable units.
- The City will continue to support counseling and educational programs on housing rights for renters.
- The City's affirmative marketing programs for affordable housing shall continue to require outreach to minority communities, including advertising in multi-lingual media.

POLICY 8.4

Encourage greater economic integration within housing projects and throughout San Francisco.

Patterns of economic segregation are evident in San Francisco. Although housing opportunities for low- and moderate-income households are available in many areas of the city, these tend to be concentrated in a few areas. Special efforts should be made to expand housing opportunities for households of lower-income levels in other areas of the city.

The affordability of housing is a citywide problem. All neighborhoods of the city should be expected to accept their fair share of affordable housing. This can be effected through

inclusionary affordable housing policies and consideration of secondary units in conformance with Policy 1.8.

Private reinvestment in many areas of the city, in a process of economic gentrification, can result in the displacement of low- and moderate-income households by higher income groups. Special efforts should be made to maintain the economic diversity of these areas.

IMPLEMENTATION 8.4

- The Planning Code's Inclusionary Affordable Housing Ordinance will require all residential and live/work developments of 10 units or more to provide inclusionary housing units, or to pay the required in-lieu fee.
- The City will encourage economic integration by locating new assisted housing opportunities outside existing areas of concentration of low-income households.

POLICY 8.5

Prevent housing discrimination.

To ensure housing opportunities for all people, the City should assist in the implementation of fair housing and anti-discrimination laws. The Human Rights Commission enforces the City's Fair Housing Law and handles complaints of housing discrimination. Residential apartment owners should also be prohibited from using arbitrary income and restrictive occupancy requirements that unnecessarily exclude lower income families.

IMPLEMENTATION 8.5

- The Human Rights Commission (HRC) will continue to support and monitor the U.S. Department of Housing and Urban Development's Fair Housing Access Laws. HRC will also continue to report to the Mayor's Office of Housing and the Mayor's Office on

Disability and the Board of Supervisors with findings and policy recommendations on issues of accessibility and discriminatory barriers.

- The HRC will continue to monitor fair housing practices at housing projects including homeless shelters and transitional housing that receive public assistance.
- SFRA and MOH will continue to monitor all projects for ongoing continued compliance with income and rent restrictions.
- The City will continue to provide funding to encourage equal access to housing for people with HIV/AIDS
- The Planning Department will advocate a mix of unit sizes and types to accommodate special users including senior citizens and physically disabled persons pursuant to Planning Code Section 209.1 during the design review phase of proposed housing projects.
- City and County of San Francisco Ordinances will continue to provide fair housing protection.
- The San Francisco City and County Department of Human Services' housing unit and the Human Rights Commission will continue to investigate and mediate complaints of housing discrimination.

POLICY 8.6

Increase the availability of units suitable for users with supportive housing needs.

The City should support efforts by potential sponsors to identify and develop sites for special users and work cooperatively with social service agencies and housing providers. The City should also seek to reduce institutional barriers to development of innovative forms of housing.

In addition to the disabled, other households with special needs have difficulty finding suitable housing in San Francisco. Many large families, especially those newly immigrated to the United States, are crowded into units designed for much smaller households. New housing construction, especially those including units to accommodate large families, should be encouraged. Many of the City's elderly citizens occupy housing that is not designed to meet their special needs. Shelters and transitional housing facilities are not available in sufficient numbers to meet the needs of the city's homeless population. The mentally disabled also need housing with additional support services.

The City should take an active role to encourage the expansion of the availability of housing units suited to needs of these groups including physical design features and ancillary social and medical service facilities. When units are constructed or rehabilitated to meet the needs of special user groups and have received City support or waivers, there should be monitoring to ensure that such units continue to be occupied by the intended group.

IMPLEMENTATION 8.6

- The City will continue to encourage and support the development of specialized housing types that meet the particular needs of various user groups. This housing will be especially encouraged in transit rich areas of the City, maximizing mobility and accessibility to services.
- To reduce institutional barriers to the development of innovative forms of housing, the City will continue to support efforts of potential sponsors to identify and develop sites for special users.
- The City will continue to promote cooperative efforts between social service agencies and housing providers to develop special user housing.
- Units that are constructed or rehabilitated to meet the needs of special user groups and receive City support or waivers will be monitored to ensure that such units continue to be occupied by the intended group.

POLICY 8.7

Eliminate discrimination against households with children.

Households with children often have difficulty finding suitable housing because many landlords do not want children as tenants. The City should prohibit discrimination against children and encourage the construction of units suitable for families with children. In assisted housing, households with dependent children should have preference in rental or resale of multiple bedroom units. The City should continue enforcement of the 1987 ordinance prohibiting residential apartment owners from discriminating against families based on household size unless the Building Code does not permit occupancy of the dwelling by a family of that size.

IMPLEMENTATION 8.7

- San Francisco's Municipal Police Code under Article 1.2 prohibits housing discrimination against families with minor children. This law prohibits the most common forms of discrimination, such as restrictive occupancy standards, rent surcharges and restrictive rules.
- The City will continue to promote access to housing by families by enforcing Section 503(d) of the City's Housing Code.

POLICY 8.8

Promote the adaptability and maximum accessibility of residential dwellings for disabled and elderly occupants.

Disabled and elderly San Franciscans are less able to compete for scarce housing units, in part because they often have lower than average incomes. Most housing units are also not physically accessible. The City should take an active role in expanding the availability of units suited to

households with special needs. Congregate housing with central eating facilities is an appropriate form of housing for some elderly households. In accordance with local policy and applicable law, new housing should be made accessible or adaptable to the disabled or elderly. "Accessible" means that the housing presents no physical barriers to handicapped or elderly people. "Adaptable" means housing whose entry and circulation are designed and constructed so that making relatively minor adjustments and additions rather than structural changes can make the unit fully accessible. Federally assisted housing currently requires that at least 5% of all new units are made fully accessible.

IMPLEMENTATION 8.8

- The City will continue to provide protective services to help keep seniors and disabled adults of all circumstances and income levels safe in their own homes rather than in nursing homes through the new Department of Aging and Adult Services.
- The Planning Department will continue to implement Planning Code Section 209, which allows a density bonus of twice the number of dwelling units otherwise permitted as a principal use in the district, when the housing is specifically designed for and occupied by senior citizens, physically or mentally disabled persons.
- The Department of Building Inspection will continue to enforce the standards of accessibility and adaptability for commercial facilities and new residential construction including motels, apartment buildings containing three or more dwelling units, homeless shelter and other specified building types. (Chapter 11A and 11B of the California Building Code).
- The Mayor's Office on Disability (MOD) will continue to ensure access for people with disabilities to City programs and facilities.
- The Mayor's Office of Housing will continue to review affordable housing development programs and projects to ensure that these projects provide not only the

accessibility required by federal, state and local law, but also the greatest accessibility feasible.

POLICY 8.9

Encourage the provision of new home ownership opportunities through new construction so that increased owner occupancy does not diminish the supply of rental housing.

Since the demand for rental housing continues to significantly exceed supply and less than 8% of San Francisco residents can afford the median home cost, the development of new home ownership opportunities should rely primarily on new construction and not the conversion of rental housing to home ownership.

IMPLEMENTATION 8.9

- The City, through the Section 1302(c)2 of the San Francisco Subdivision Code, will continue to promote homeownership opportunities for existing tenants and prevent displacements by requiring a high degree of tenant intent to purchase their rental units as a condition of approval of applications for residential conversion.

POLICY 8.10

Ensure an equitable distribution of quality board and care centers, and adult day care facilities throughout the City.

Older, larger buildings, and vacant commercial spaces, may be suitable for conversion to group housing. Because of the availability of certain types of residential buildings and services in certain parts of the City, board and care and adult day care facilities have tended to become concentrated in those areas. Applications for new facilities may continue to reinforce these concentrations unless they are carefully reviewed. It is desirable that group housing and board

and care homes be distributed throughout the City so that people are offered a choice of locations and over-concentration of facilities in particular neighborhoods is avoided. However, the Federal fair housing laws prohibit limitations on board and care facilities and group homes to the extent that these limitations diminish housing opportunities for disabled persons and families with children. Adult day care facilities that allow disabled or elderly persons to live at home but receive daily support should be located close to their clients. In reviewing applications for board and care homes and adult day care facilities, the following factors should be among those evaluated:

- In the case of day care facilities, proximity to clients' residences
- Accessibility to recreational facilities and open space.
- Proximity to commercial areas and shopping.
- Proximity to community services.

IMPLEMENTATION 8.10

- The Planning Department will continue monitoring group housing to ensure a distribution of quality board and care and adult day care facilities
- The Planning Department will explore the potential for expanding as-of-right group housing and group housing definitions in Sections 209.2 and 216 "Other Housing" in the neighborhood commercial district controls. The Mayor's Office of Housing will continue to investigate creation of a loan program to expand housing provided by board and care operators.

OBJECTIVE 9

AVOID OR MITIGATE HARDSHIPS IMPOSED BY DISPLACEMENT

POLICY 9.1

Minimize the hardships of displacement by providing essential relocation services.

Because of the economic and social hardships involved when a household is forced to move, and the difficulty of funding replacement housing at comparable rents, every effort should be made to minimize displacement.

Private demolition of housing can cause particular hardships because of the absence of relocation assistance programs for displaced households. Property owners should provide assistance in finding suitable relocation housing if any lower-income households are to be displaced. Property owners should inform tenants at the earliest possible date of any proposed demolition plans and should arrange for counseling assistance for the displaced households. Owners should not be permitted to demolish existing housing units until efforts have been made to assist tenants in obtaining relocation housing.

When displacement does occur as a result of public actions, uniform relocation services including counseling, locating replacement housing, and moving expenses, should be provided regardless of whether the displacement is caused by federal, state, or locally funded activities. In the case of privately funded developments where displacement occurs, the developer should be requested to provide such services.

IMPLEMENTATION 9.1

- When providing financial assistance for affordable housing development or rehabilitation, MOH and SFRA will continue to provide assistance required by the

provisions of the federal Uniform Relocation Act (URA) or the California state relocation law.

- The City will continue to work for a minimum of one to one replacement of all housing lost, regardless of cause.

POLICY 9.2

Offer displaced households the right of first refusal to occupy replacement housing units that are comparable in size, location, cost, and rent control protection.

Persons in private or publicly owned housing displaced by fire and other acts should be restored to their previous residential position to the maximum extent feasible. Where existing units are converted to condominium or cooperative ownership, existing tenants should be given opportunities to purchase converted units.

IMPLEMENTATION 9.2

- The Mayor's Office of Housing (MOH) and the San Francisco Redevelopment Agency will continue to provide tenants displaced during rehabilitation financed by each agency with the right to return to the unit or a comparable unit after the work is completed if they meet applicable eligibility criteria.
- MOH will administer affordability restrictions on the stock of units made affordable under the Condominium Conversion Program.

HOMELESSNESS

OBJECTIVE 10

REDUCE HOMELESSNESS AND THE RISK OF HOMELESSNESS IN COORDINATION WITH RELEVANT AGENCIES AND SERVICE PROVIDERS.

Homelessness has grown to a scale unprecedented in the United States since the 1930s. The legacy of the 1980s that has regarded temporary shelter as an adequate response to homelessness should be overcome. Shelters are not an acceptable alternative to decent, affordable housing. While the City should not relax its commitment to offering shelter to anyone who would otherwise be forced to live in streets, parks and doorways, the vision and the overall direction should remain fixed on the goal of creating and preserving low-cost housing, jobs and job training programs, and the necessary health and social support services that enable people to live with the greatest degree of independence possible. Such services for the homeless should be provided in a multi-lingual and multicultural context where needed. It is critical that San Francisco and other cities begin to develop a regional approach to homelessness in the Bay Area. Increased state and federal support is needed for regional efforts to succeed.

POLICY 10.1

Focus efforts on the provision of permanent affordable and service-enriched housing to reduce the need for temporary homeless shelters.

For a permanent solution to homelessness, permanent affordable housing must be developed. Although shelters can provide an alternative to sleeping on the streets, these do little to address the underlying problem. The development of new housing connected to services will best address this need.

IMPLEMENTATION 10.1

- City agencies including the Mayor's Office of Housing, the Department of Human Services, the Department of Public Health, the San Francisco Housing Authority, and the San Francisco Redevelopment Agency will prioritize the development of permanent supportive housing.
- The Department of Human Services and the Department of Public Health will continue to partner with capital funding agencies to develop supportive housing.
- Existing low cost housing will be preserved wherever possible.
- The Residential Hotel Unit Conversion and Demolition Ordinance will continue to benefit the public by minimizing the loss of residential hotel units through conversion and demolition.
- The Department of Human Services (DHS) will continue to administer the Shelter Plus Care program, which provides rental subsidies to homeless individuals and families with disabilities so that they may access and maintain permanent supportive housing. The City should collaborate in efforts at the federal level to expand resources for this program.
- DHS will continue to fund non-profit agencies to provide on-site supportive services for formerly homeless individuals and families living in supportive housing. DHS will coordinate development of these programs with the Mayor's Office of Housing and the San Francisco Redevelopment Agency, which provide funding for construction and rehabilitation of affordable housing, including supportive housing. Additional programs will be developed as funding availability allows.
- DHS will continue to operate its Master Lease Program in order to provide low-cost, safe, permanent housing to homeless individuals leaving emergency shelters. The capacity of this program should be expanded.

- DHS will continue the collaboration started with the San Francisco Housing Authority in the formation of the Joint SFHA/DHS Workgroup to resolve priorities issues for clients of both agencies.

POLICY 10.2

Aggressively pursue other strategies to prevent homelessness and the risk of homelessness by addressing its contributory factors.

Measures that go beyond shelter are needed to address the root causes of homelessness. These include stable sources of income and health and social support services for short or long periods of time to assist people with special needs to live with the greatest degree of independence possible.

IMPLEMENTATION 10.2

- The Mayor's Office of Housing, the San Francisco Housing Authority and the San Francisco Redevelopment Agency will continue to integrate job training and other programs that support low- and moderate-income families into its affordable housing development.
- The Department of Human Services' Eviction Prevention and Rental Assistance program will continue to work cooperatively with non-profits to help low- and very low-income individuals and families at risk of homelessness to maintain their housing by paying past due rent to avoid eviction, and offering legal services, counseling, and other supportive services. The Rental Assistance Fund helps very low-income San Franciscans in a housing crisis. Eligible individuals and families can apply for grants to pay overdue rent to prevent eviction, or apply for a security deposit to move into permanent housing.

- DHS will continue to fund non-profit contractors to provide after-care services for homeless families once they are housed to help them maintain housing, become stable and prevent recurring episodes of homelessness.

POLICY 10.3

Improve coordination among emergency assistance efforts, existing shelter programs, and health care outreach services.

While the emphasis should be on provision of permanent housing, the City should provide an emergency shelter program that provides temporary shelter and links homeless people to more comprehensive services. The City should also continue to support the Department of Public Health's Direct Access to Housing Program, which has helped households transition from shelters into permanent homes.

Homeless people often have difficulty gaining access to the health care system, whether it is because the multiplicity of problems they experience overwhelms health care providers, their behavior or appearance makes them unwelcome, or they themselves regard health care as low on the survival priority list. There is need for outreach services and multi-service centers that provide health care and other services to the homeless, in a manner that gains their trust and with a goal of integrating them into the larger health care and services systems.

IMPLEMENTATION 10.3

- The City will continue to develop resource centers to provide information and survival needs for the homeless.
- The City will continue to operate its Homeless Services Team, which conducts outreach to homeless persons living on the street with the goal of assisting the most difficult-to-reach homeless persons to access available appropriate services, benefits, health care and housing. The Department of Human Services (DHS) will work to coordinate its street

outreach efforts with other such outreach programs operated by the Department of Public Health.

- The City will develop and implement a Homeless Management Information System (HMIS) leading to improved coordination of services.
- The DHS's Division of Housing and Homeless Programs will continue to fund a wide range of services that are part of a comprehensive, inter-agency, citywide approach to help homeless individuals and families achieve the highest level of self-sufficiency of which they are capable.
- DHS will continue to operate their program Connecting Point as a centralized intake and service referral system for families.

POLICY 10.4

Facilitate childcare and educational opportunities for homeless families and children.

Homeless families, just like other families, require a broad variety of childcare programs to meet their particular needs. For some, the need is for developmentally appropriate, well-equipped spaces that offer privacy, enabling families an opportunity to interact and play with their children. For other parents, who may need time to participate in job training, or to look for work or run errands, the need is for convenient drop-in childcare program. In other instances, the need may be for licensed childcare programs that serve the special needs of these children.

IMPLEMENTATION 10.4

- The Department of Human Services will continue to implement the California Work Opportunity and Responsibility to Kids (CalWORKs) program to serve adults with dependent children where participants receive financial support and a full array of

services for 18–24 months as they work with an Employment Specialist to follow an individualized Employment Plan.

HOUSING DENSITY, DESIGN, AND QUALITY OF LIFE

OBJECTIVE 11

IN INCREASING THE SUPPLY OF HOUSING, PURSUE PLACE MAKING AND NEIGHBORHOOD BUILDING PRINCIPLES AND PRACTICES TO MAINTAIN SAN FRANCISCO'S DESIRABLE URBAN FABRIC AND ENHANCE LIVABILITY IN ALL NEIGHBORHOODS.

Housing quality involves not only the physical condition of the housing structure itself but also the condition of the surrounding neighborhood and the adequacy of its amenities, facilities, and services. Quality urban housing can exist only in full service neighborhoods. New housing development must address these issues.

POLICY 11.1

Use new housing development as a means to enhance neighborhood vitality and diversity.

New in-fill housing development should be compact, mixed-use, mixed income, and have a mix of unit sizes. Major multi-family housing projects that accommodate non-residential uses such as neighborhood serving retail, childcare or after school facilities, or even institutional uses such as a public library, should be encouraged and supported. Minimum density requirements and

maximum parking standards should be used to encourage a mix of unit sizes in areas well served by transit and neighborhood retail.

IMPLEMENTATION 11.1

- The new Land Use Element will identify in-fill sites appropriate for mixed-use residential projects. Appropriate neighborhood serving retail, public facilities and supportive amenities should be encouraged.
- The City will continue to implement its policy that the design of all housing sites and related amenities make a positive contribution to surrounding public space and to overall neighborhood vitality.
- The Planning Department will encourage historic preservation and adaptive reuse of older buildings to enhance neighborhood vibrancy.

POLICY 11.2

Ensure housing is provided with adequate public improvements, services, and amenities.

Many factors add to neighborhood livability, including the quality of schools, the availability of quality childcare at affordable prices, the effectiveness of police and fire services, access to open space and recreational opportunities, and access to transit. The large number of single parent and two working parent households makes the provision of childcare facilities an important component of family housing developments. Regular maintenance of streets and sidewalks, provision of street trees, and protection of residential areas from excessive traffic, are also important to neighborhood life. To provide its residents with a quality living environment, the City should address all of these factors.

IMPLEMENTATION 11.2

- All City of San Francisco departments and agencies will continue to contribute to the strengthening of neighborhood livability by providing and improving public amenities and services.
- Each City department will continue to seek funding from Federal, State, local and private sources in order to improve services.

POLICY 11.3

Encourage appropriate neighborhood-serving commercial activities in residential areas, without causing affordable housing displacement.

Certain non-residential uses are desirable and appropriate in residential areas. For example, small pedestrian-oriented grocery stores and other convenience shops can meet frequent and recurring needs of residents without disrupting the residential character of the area. On the other hand, other non-residential uses are noisy, unattractive, or generate excessive traffic and therefore would be undesirable in residential areas.

Commercial uses should be allowed in residential areas only if they meet the following criteria:

- The use is primarily pedestrian-oriented.
- The use serves the needs of the immediate residential neighborhood and does not draw significant trade from outside the neighborhood.
- The use does not displace a unit suitable for residential occupancy.
- The use does not disrupt or detract from the livability of the surrounding neighborhood.

- Suitable locations in immediately adjacent neighborhood commercial areas do not exist.
- The design of the building is in keeping with the established residential character of the area, and all signs are carefully regulated.
- Truck traffic servicing the use is minimized, and truck delivery hours are restricted.

Community services such as childcare centers are also particularly appropriate in residential areas, even though they may draw from a larger area and may not be primarily pedestrian-oriented. Non-residential uses, if essential to the preservation of a landmark building, could also be permitted if the specific use is compatible with the surrounding environment.

IMPLEMENTATION 11.3

- The Planning Department is studying the construction methods and design components of well-designed neighborhood serving commercial areas. This will result in revised Design Guidelines to further enhance these areas. Areas of particular interest will be: appropriateness of business type; building materials and design; public amenities; open space and public art; street, sidewalk and public transportation connections and circulation patterns; neighborhood safety; environmental considerations; and site design.
- Each project will be considered on its own merit and on its ability to make a positive contribution to the neighborhood and the City.

POLICY 11.4

Avoid or minimize disruption caused by expansion of institutions, large-scale uses and auto-oriented development into residential areas.

The expansion needs of institutions often conflict with efforts to preserve and protect the scale and character of residential neighborhoods. Large educational, religious, and medical

institutions attract people from outside a neighborhood, aggravating traffic and parking problems. Institutional buildings also tend to be larger in scale and more intensely used than surrounding residential buildings. In addition, institutional expansion often requires removal of housing and displacement of residents.

To minimize the disruption caused by expansion of large institutions, the City should carefully review expansion plans. The needs of adjacent residential areas for housing, on-street parking and safe, quiet streets should be considered, in addition to the needs of the institution. Educational and medical institutions should be required to develop and submit master plans to the City, before the City reviews any specific expansion requests. Such a master plan should define long-term and short-range development plans of the institution. Early review of institutional development plans will permit exploration of alternate ways to address the needs of the institution in order to minimize potential conflicts with the residential area.

IMPLEMENTATION 11.4

- The City will continue to require large educational and medical institutions to develop and submit Institutional Master Plans as required by Section 304.5 of the Planning Code.
- The City will work to require institutions to provide housing for workers and students.
- Neighborhood impact will be reduced by building at the appropriate scale, addressing traffic and transportation impacts, and by carefully considering neighborhood design patterns.

POLICY 11.5

Promote the construction of well-designed housing that enhances existing neighborhood character.

Residents of San Francisco should be able to live in well-designed housing suited to their specific needs. To ensure that housing provides quality living environments and complements the character of the surrounding neighborhood, the following general design and amenity guidelines should be applied in evaluating new residential developments and alteration of existing buildings:

Exterior Appearance

- Design new and substantially altered buildings in a manner that conserves and protects neighborhood character (See *Residential Design Guidelines*, Department of City Planning, 2003 for more specific guidelines and illustrations.)

Recreation/Open Space

- Provide adequate on-site usable open space and relate the type, amount and location of open space to the types of households expected to occupy the building. (See Figure 9, “Residential Open Space Guidelines” in the Recreation and Open Space Element, for more specific guidelines.)

Facilities

- In larger projects include needed amenities such as storage, laundry, community rooms, and recycling, and adopt green building practices to the maximum extent possible.
- Provide sites for childcare facilities to serve residents of the immediate vicinity if such facilities do not exist nearby, or if nearby facilities are at or near capacity.
- Provide sites for convenience shopping facilities to serve the immediate vicinity if such facilities do not exist nearby.

Security

- Incorporate concepts of security in the design of the building, especially in the number of units per entrance, sense of personal space and ability of the residents to effect self-policing of the grounds and immediate surroundings. Also, provide adequately lit unit address numbers that are easily read from the street or walkways.

Art Work

- Incorporate artwork in larger buildings.

Subdivisions and Planned Unit Developments

- For larger subdivisions and planned unit developments, provide a lot layout and pattern that integrates well with the surrounding urban fabric and create a street pattern that ties into the surrounding streets.
- Create a street pattern which ties into surrounding streets.
- Avoid creating dead-end streets and cul-de-sacs where it is possible to create through streets.
- On wide blocks, create mid-block lanes that function as public streets.
- Create pedestrian passageways to provide convenient circulation within the project and convenient connections to areas outside the project.
- Create lot or building patterns that orient the fronts of buildings to, and create multiple building entries from the street.
- Avoid creating overly wide streets. Provide sidewalks wide enough to accommodate street trees.
- Underground utilities.

IMPLEMENTATION 11.5

- The Planning Department will continue to study the construction methods and design components of well-designed housing that enhances the existing urban fabric of San Francisco.
- The Planning Department will continue to use the Residential Design Guidelines when reviewing projects.
- Each project will be considered on its own merit and on its ability to make a positive contribution to the immediate neighborhood and the City.

POLICY 11.6

Employ flexible land use controls in residential areas that can regulate inappropriately sized development in new neighborhoods, in downtown areas and in other areas through a Better Neighborhoods type planning process while maximizing the opportunity for housing near transit.

Increased allowable densities should not detract from established neighborhood characteristics. In many cases, design and efficient site uses can make use of maximum housing densities while keeping resulting units affordable and compatible with neighboring structures.

IMPLEMENTATION 11.6

- The City will continue to promote increased residential densities in areas well served by transit and neighborhood compatible development with the support and input from local neighborhoods.

POLICY 11.7

Where there is neighborhood support, reduce or remove minimum parking requirements for housing, increasing the amount of lot area available for housing units.

San Francisco first imposed residential parking requirements in the 1950s, when prevailing notions assumed that cars were becoming the primary way of getting around and automobile parking should be provided accordingly. This 1:1 parking requirement generated traffic and took up valuable space, but created a distinct neighborhood character in the western part of the City. One parking space reduces the amount of housing a parcel can accommodate by as much as 25%. Building parking space also adds \$20,000 to \$50,000 per parking space to the cost of housing construction.

Enforcing one off-street parking space for each new dwelling unit is essentially a suburban practice and diverges from the City's tradition of compact, urban, walkable places in the older neighborhoods. Much of San Francisco was built before the advent of the automobile and most places are easily accessible by foot or public transit.

IMPLEMENTATION 11.7

- The Planning Department will work to reduce parking in older neighborhoods and in other areas through a Better Neighborhoods type planning process with the support and input from local neighborhoods.

POLICY 11.8

Strongly encourage housing project sponsors to take full advantage of allowable building densities in their housing developments while remaining consistent with neighborhood character.

The Planning Department, with housing project sponsors, should explore and encourage project configurations that take full advantage of allowable building densities. Department support

should go beyond technical assistance and include coordinated and timely neighborhood outreach and accelerated processing. The Department should strongly support projects that creatively address residential parking and open space requirements, resulting in higher densities with a full range of unit sizes.

IMPLEMENTATION 11.8

- The Planning Department, with the support and input from local neighborhoods, study the impacts of reduced parking and private open space provisions and will consider revising the Planning Code accordingly.
- The Planning Department will work with housing advocates to educate residents on the benefits of traditional urban neighborhood supporting housing densities.

POLICY 11.9

Set allowable densities and parking standards in residential areas at levels that promote the City's overall housing objectives while respecting neighborhood scale and character.

In setting allowable residential densities in established neighborhoods, consideration should be given to the prevailing building type in the surrounding area so that new development does not detract from existing character. Established architectural characteristics should be respected. Design and efficient site uses can make use of maximum allowable densities while keeping resulting units affordable and compatible with neighboring structures. In areas where an urban scale and character is yet not established, densities should be set at levels that support transit and neighborhood amenities that are enjoyed by the City's more established neighborhoods.

IMPLEMENTATION 11.9

- The City, through a Better Neighborhoods type planning process, will continue to work to improve and enhance housing with the goal of more housing and vital, attractive transit served neighborhoods.
- The Planning Department will continue to employ Residential Design Guidelines and implement the General Plan to ensure new projects are compatible with established neighborhoods.
- The new Land Use Element will, within the framework of a comprehensive citywide action plan (CAP), identify areas where higher densities are appropriate.
- The updated Urban Design Element will reconcile the City's established and well formulated urban design principles with the City's housing objectives.

POLICY 11.10

Include energy efficient features in new residential development and encourage weatherization in existing housing to reduce overall housing costs and the long-range cost of maintenance.

Simple energy saving features such as site orientation and window placement can optimize passive solar heating and natural daylight at little or no additional cost. Often, features that add to the initial cost of a structure are highly cost-effective in terms of the life cycle or operating costs. For example, weatherization of existing housing can usually pay for itself in a short time, resulting in lower utility bills and housing costs. These approaches should be pursued.

IMPLEMENTATION 11.10

- The Department of Building Inspection, Pacific Gas and Electric Company (PG&E), and the Building Science industry will continue environmental education programs for the general public, project sponsors, and builders.
- The Mayor's Office of Housing will continue to provide funding for the physical and financial preservation of non-profit owned affordable rental housing that requires energy efficiency improvements in order to protect its affordability.
- The Department of Building Inspection will continue to enforce Title 24 energy code requirements. In addition to Title 24, residential buildings will be also required to comply with the Residential Energy Conservation Ordinance (RECO). RECO affects all residences at time of sale or at time of meter conversion, major improvement or condominium conversion.

REGIONAL AND STATE HOUSING NEEDS

OBJECTIVE 12

STRENGTHEN CITYWIDE AFFORDABLE HOUSING PROGRAMS THROUGH COORDINATED REGIONAL AND STATE EFFORTS.

Housing is a regional and state concern. Problems such as the inability of large numbers of people to afford decent housing, inequities and discrimination in the housing market, and the inadequacy of public resources cross the boundaries of local jurisdictions and cannot be addressed solely on a local level. Region-wide strategies are needed. Investment decisions made by the private sector are rarely confined to the limits of single governmental jurisdictions — broader housing market areas are considered. A strategy dealing with housing problems in the

Bay Area must therefore involve a regional approach. Effective solutions to housing problems in the Bay Area can be developed only if all local jurisdictions' agencies and organizations dealing with housing in the Bay Area coordinate their activities.

Although San Francisco will always maintain an overall jobs/housing imbalance because it has historically developed as an employment center, the City must undertake efforts to balance future employment growth and the supply of housing. In particular, City agencies should coordinate strategies to meet the housing goals set forth by the Association of Bay Area Governments (ABAG) and adopted as part of this Element, as well as to address housing needs already present even without job growth. To meet these goals, San Francisco will have to absorb a greater percentage of new workers and increase the housing opportunities for workers currently commuting to the City.

POLICY 12.1

Work with localities across the region to establish a better relationship between economic growth and increased housing needs.

San Francisco is part of the larger regional economy of the Bay Area and economic decisions made by one community often affect other communities in the region. Thus decisions made by some cities to limit commercial or residential growth impact other cities in the region. Efforts should be made to balance employment and housing growth within the region. Aggregated together, current local government development policies will not house the labor supply needed for jobs currently projected for the region. If these policies remain unchanged, housing must be provided outside the region. This would extend commutes, or regional job growth will be curtailed, or both.

The Association of Bay Area Governments has established a regional goal to house within the region up to 50% of the difference between the projected growth in Bay Area jobs and the growth in the region's labor supply. To reduce the jobs-housing imbalance in the region by that amount by 2006, almost 231,000 additional housing units are needed within the region.

IMPLEMENTATION 12.1

- The City will continue to work with the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) to shape an implementation plan that meets regional housing, transportation, and job needs.
- The City will continue to support new state and federal funding for projects that coordinate the region's need for jobs and housing well served by the transportation system.
- The State should offer incentives in the form of a larger allocation of a regional property tax sharing pool in exchange for building mixed use affordable residential near transit hubs.

POLICY 12.2

Support the production of well-planned housing regionwide that address regional housing needs and improve the overall quality of life in the Bay Area.

New residential development and rehabilitation of existing housing should be planned to conserve open space and to take advantage of the availability of employment opportunities, efficient transportation systems, and community services. San Francisco should take an active role in promoting quality new housing development in the Bay Area in areas where adverse impacts on the environment will not be generated and the use of public transit will be enhanced. The City should also play a greater role in ensuring local and regional growth management strategies are coordinated and complementary.

IMPLEMENTATION 12.2

- The San Francisco Redevelopment Agency (SFRA) will continue to serve as the lead agency and administrator of the HOPWA Program on behalf of the San Francisco

Eligible Metropolitan Statistical Area (EMSA), which includes San Francisco, San Mateo and Marin Counties.

- The City will continue to support the production of well planned affordable and market rate housing, improve the jobs/housing balance, and improve public transportation options.
- The City will continue to support efforts to make the California Environmental Quality Act (CEQA) more supportive of transit oriented and mixed use residential development.
- The City will continue to work with the Metropolitan Transportation Commission (MTC) to coordinate transportation information regionwide.
- The City will continue to support efforts for rail line extension funding based on zoning that requires regional mixed-use development and jobs/housing balance criterion.
- The City will continue to support Jobs-Housing Balance Incentive Grants awarded to cities that produce housing in areas with fast growing employment and support additional bonuses awarded for multi-family housing, affordable housing, and in-fill development.
- The City will continue to support congestion pricing bridge tolls during peak commute periods with additional fund generation allocated for public transportation improvements.
- The City will continue to support efforts to develop and improve transit to large surplus public land and redevelopment areas such as Treasure Island, Alameda Naval Air Station or Mare Island in Vallejo, where high-density housing and new jobs and services could be built.
- The City will continue to support efforts to use state or regional funds to give housing subsidies or income tax credits to employees who live close to their workplaces similar to subsidies for police and firefighters in some cities.

- The City will continue to support the use of State or regional funds for transit passes or to increase transit-related income tax credits to encourage employees to commute to work via transit.
- The City will continue to support efforts to charge consumers the full cost of parking to promote transit use. Additional funds, generated by employee parking fees, could be used to improve public transportation and fund incentive programs for non-driving employees.
- The City will continue to support the Metropolitan Transportation Commission's (MTC) Transportation for Livable Communities (TLC) program, which provides funding for planning and construction of projects that help create walkable, transit-oriented and livable communities.

POLICY 12.3

Encourage jurisdictions throughout the Bay Area to recognize their share in the responsibility to confront the regional affordable housing crisis.

Local communities throughout the Bay Area should accept responsibility for housing families of all income levels. At the present time, most of the region's subsidized housing for low- and moderate-income households is concentrated in the central cities, including San Francisco.

Housing opportunities for low- and moderate-income households should be available throughout the region, and all localities in the Bay Area should provide their fair share of such housing. The public and the private sector should share responsibility.

State law allows joint exercise of powers between jurisdictions that enable entrepreneurial action at a larger-than-local scale. Cooperative efforts among localities, as well as joint efforts with state agencies, extend resources available for affordable housing.

IMPLEMENTATION 12.3

- The City will continue to support the following efforts: State and Federal funding allocations tied to individual communities' commitment to provide their fair share of affordable housing production, particularly in transit rich areas; linking State funds to a community's fulfillment of their fair share of regional affordable housing needs; and reducing fiscal incentives to produce uses other than housing by regional sales and property tax sharing.
- To take advantage of a city's ability to use Joint Power and other collective and cooperative arrangements to make more effective use of financial resources for housing production, the City will encourage joint powers approaches to housing finance where joint powers agreements will enhance the production of affordable housing.

POLICY 12.4

Foster educational programs across the region that increase public understanding of the need for affordable housing and generate support for quality housing projects.

The City should help develop and conduct region wide public awareness programs to generate greater public support for affordable housing production. Workshop modules could also be crafted to explain regional land use patterns and its impacts on livability and help demystify urban densities.

IMPLEMENTATION 12.4

- The City will continue to support the efforts of non-profits like Non-Profit Housing Association, Urban Ecology, Greenbelt Alliance, and Architects, Designers, and Planners for Social Responsibility, as well as regional government organization such as the Association of Bay Area Governments and the Metropolitan Transportation Commission

to conduct community workshops, and research and publish information that promotes understanding of relationships between economic growth and increased housing needs.

- The City will continue to support public awareness programs of professional associations such as the Urban Land Institute, American Planning Association, the American Institute of Architects, and the American Society of Landscape Architects, in their efforts to underscore the importance of linking jobs, housing and other uses by efficient transportation throughout the region.

POLICY 12.5

Support the State of California in developing and implementing state affordable housing plans and programs.

With the decreasing level of Federal support for housing programs, the administrative and financial powers of the State become especially critical. The state legislature has placed an affordable housing bond proposal on the statewide ballot in 2002, but there also needs to be a long-range plan for affordable housing and a clearer articulation of the State's role in funding and facilitation of affordable housing programs.

IMPLEMENTATION 12.5

- The City will continue to support State and regional efforts to establish additional grant programs to aid in the preparation of plans and environmental documents for mixed-use residential and transit oriented projects responding to regional needs.
- The City will advocate for increased and equitable State and Federal fund allocations for affordable housing production.

Appendix A

EVALUATION OF THE 1990 RESIDENCE ELEMENT

As part of the *Housing Element* update, California Government Code Sections 65588(a) and (b) requires an evaluation of San Francisco's existing *Residence Element*. This review consists of three parts – a summary of San Francisco's housing production since the *Residence Element* was adopted in 1990, an analysis of its objectives and policies, and a discussion of the implementation programs enacted over the course of the reporting period (1989-1998).

The objectives and policies of the 1990 *Residence Element* underscored two housing priorities: that "the City's supply of affordable housing be preserved and enhanced," and that "existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods." A review and evaluation of these objectives and policies is essential to an effective *Housing Element* update. The examination of housing production and conservation, the appropriateness of goals as stated in the existing Element, and housing programs initiated during the reporting period will serve to strengthen the revised *Housing Element* and help address the City's housing challenges.

I. HOUSING TARGETS AND PRODUCTION

ABAG set San Francisco's fair share of the regional housing need for 1988-1995 at 23,328 units. ABAG's Regional Housing Needs Determination process established that 24% of the City's share of the regional housing need total be affordable to very low-income households, 16% to low-income households, and 20% for moderate-income households. The remainder could effectively be met by market rate housing production. At the time of this determination, ABAG estimated San Francisco's population to be at 740,000 in 314,400 households. The 1990 Census, however, counted only 723,959 people and 305,584 households. The housing needs determination forecast population growth at about 19,100 more people and household growth at about 6,917 new households by 1995.

As shown in Table A-1 below, ABAG forecasts were revised, first in the face of a major recession in the early 1990s and later during a vigorous growth period towards the end of the decade. By 2000, the U.S. Census revealed a population of 776,733 and a total of 329,700 households in San Francisco or a growth of almost 53,000 people and 24,000 households since 1990. The last projections before the Census count, however, estimated 22,267 more people and 14,100 less households. The California Employment Development Division counted 608,300 jobs in San Francisco at the end of the 3rd quarter, 2000, representing a 10-year employment growth of over 29,000 jobs for the City.

TABLE A-1
Census Counts and ABAG Projections, 1990 - 2000

	1990 Census	ABAG Projections 1990		ABAG Projections 1994		ABAG Projections 2000		2000 Census
		1995	2000	1995	2000	1995	2000	
Population	723,959	746,600	767,800	768,300	784,400	751,700	799,000	776,733
Households	305,584	321,300	328,300	313,500	323,400	309,600	315,600	329,700
Jobs	579,180	616,900	642,800	565,500	595,370	559,300	628,900	608,300*

*EDD, 3rd Qtr, 2000

Table A-2 below shows that San Francisco met only 61% of its housing production targets for the period from 1988-1998. While the City was able to meet its market-rate housing targets, it was only because of extraordinary production in the last three years of the extended review period and despite the yearly production of only 72% of the annualized target. On the other hand, it produced only around 40% of both its very low and low-income housing objectives. The greatest deficiency is evident in the moderate income housing type, where the City produced just 12% of its target for this category. Although the market rate units produced during the time period may have provided housing opportunities for some moderate income households, the 557 units cited in the table represent units specifically constructed for this income group.

TABLE A-2
Housing Production by Income Category, 1988 - 1998

Income Category	HCD Fair Share Housing Production Targets	% of Production Target	Actual Production, 1988 - 1998	% of Actual Production	Percentage of HCD Target Met
Very Low (50% of AMI)	5,599	24.0%	2,202	15.5%	39.3%
Low (80% of AMI)	3,732	16.0%	1,515	10.7%	40.6%
Moderate (120% of AMI)	4,666	20.0%	557	3.9%	11.9%
Market Rate	9,331	40.0%	9,893	69.8%	106.0%
TOTAL	23,328	100.0%	14,167	100.0%	60.7%

Although not counted in the city's new housing production totals, the rehabilitation of affordable units represents an important resource and housing accomplishment over the past decade. City housing agencies contributed to the renovation of over 5,000 units of affordable housing during the reporting period. The rehabilitation of these units, including the renovation and seismic retrofit of previously vacant or uninhabitable units, provided important housing opportunities to low and very low-income households.

The inadequate production of housing for moderate-income households is a major component in the City's housing challenge and has contributed to the current crisis of affordability. As Table A-3 shows, housing production totals over the past two years will leave a major construction deficit in this income category if current trends continue.

TABLE A-3
Housing Production Gap

Income Level	ABAG Housing Needs Determination, 1999 - June 2006	Actual Production, 1999 - 2000	Production Need, 2001 - June 2006	Annual Production Need 2001 - June 2006
Very Low	5,244	203	5,041	917
Low	2,126	75	2,051	373
Moderate	5,639	94	5,545	1,008
Above Moderate	7,363	2,515	4,848	881
TOTALS	20,372	2,887	17,485	3,179

II. OBJECTIVES AND POLICIES

The 1990 *Residence Element* included seven new objectives in addition to the goals of set in the 1984 *Residence Element*. Five of these new objectives focused on specific affordable housing needs, while one addressed homelessness and another dealt with seismic safety issues. Much of the housing need identified in the existing Element remains relevant for San Francisco today, as do many of the housing goals discussed in the 1990 document. The current update of the *Housing Element* has consolidated and reorganized these goals into 12 objectives that place greater emphasis on identifying appropriate locations for housing, supporting necessary infrastructure and neighborhood amenities, and encouraging diversity in housing size and unit mix.

Several objectives from the 1990 Element made significant contributions to San Francisco's efforts to provide and retain affordable housing citywide. The existing Residence Element called for the expansion of financial resources for permanently affordable housing. To this end, the Office-Affordable Housing Production Program (OAHPP) was revisited and expanded in 1996. This program required project sponsors to directly provide housing or to contribute land or in-lieu fees to a housing developer as a condition of approval for large-scale office development. The severe economic slump of the mid-1990s, however, curtailed office development in the City for several years and as a result the program at first raised little money for affordable housing.

Ten development projects, totaling 743 housing units, received funds from the OAHPP between 1990 and 1998. The economic boom of the late 1990s brought additional funds to the program but higher land and construction costs limited the number of housing units that could effectively be supported by the fund. In February 2001, this program was renamed the Jobs-Housing Linkage Program to reflect its expanded scope and application. In addition to large-scale office development, sponsors of projects for large entertainment, hotel uses, research and development facilities, or retail space are required to share the burden of housing provision in San Francisco.

The goals of the 1990 *Residence Element* also stressed the need to retain existing housing, particularly affordable units. The adoption of the *Residential Conversion and Demolition*

Guidelines in April 1995 helped realize these objectives. The guidelines established a set of standardized criteria to be used in evaluating projects involving the demolition or conversion of dwelling units. In addition, the Residential Hotel Conversion Ordinance has helped to slow the loss of single-room occupancy (SRO) residential hotel units in San Francisco. Decreases in the City's stock of affordable residential hotel units in recent years have largely been due to fires. Over the past decade, there has been an increase in the number of residential hotel buildings owned and managed by non-profit organizations, ensuring the long-term affordability of these units.

The 1990 Element called for increasing accessibility to affordable housing and encouraging economic integration in housing development. The City adopted its Inclusionary Affordable Housing Policy in 1992, and placed an affordable housing requirement on housing projects greater than 10 units that sought a planned unit development or conditional use approval. The economic slowdown of the mid-1990s also reduced the number of housing development projects in the City and therefore the number of inclusionary units produced. The boom that followed towards the end of the decade fueled a proliferation of live/work units, a development type not subject to the inclusionary requirements at the time. As a result, the inclusionary housing policy produced only 128 affordable units from 1992 to 2000. Recognizing the narrow scope of its inclusionary policy, the City modified and expanded the requirements in February 2002, as discussed in later sections of this report.

III. IMPLEMENTATION PROGRAMS

Although San Francisco fell short of the state mandated fair share housing targets (Table A-2), the City still produced over 14,000 units of housing from 1988-1998. Furthermore, this figure does not include the over 5,000 units that the City successfully rehabilitated and preserved as affordable units during the reporting period. San Francisco achieved 61% of its state-mandated housing targets despite suffering a major economic recession in the mid-1990s. This economic downturn dramatically affected both private and public housing construction, with 1993 and 1995 registering housing production totals under 500 units.

Though, at times, production rates fell below housing targets, the City initiated or completed several significant planning efforts in the past 10 years. This included plans for the former Hunter's Point Naval Shipyard and one of the largest undeveloped areas remaining in San Francisco – Mission Bay. These efforts represent some of the most important housing work undertaken during the reporting period. Though these projects did not produce any actual units during that time period, plans for the programmed areas should translate into increased housing production for San Francisco in coming years. These long-range plans are the result of comprehensive planning and coordination among numerous city agencies and community groups, and they represent a major achievement in the efforts to address housing needs in San Francisco.

The following review of past and current implementation programs is organized by the three primary themes of the 1990 *Residence Element*: 1) Construction and Conservation of Housing; 2) Affordability; and 3) Citywide and Regional Concerns. Pertinent programs are discussed under the appropriate objective, and objectives are presented as written in the existing Element. Programs that have been initiated since the conclusion of the reporting period (1989-1998) are discussed in greater detail at the beginning of Part II of the *Housing Element* update.

1. CONSTRUCTION AND CONSERVATION OF HOUSING

Objective 1

To provide new housing, especially permanently affordable housing, in appropriate locations which meets identified housing needs and takes into account the demand for affordable housing created by employment growth.

- **Housing Production.** From 1989-1998, San Francisco's housing stock added a net increase of 10,696 units. This unit gain reflects the cumulative efforts of a range of public agency programs and private investment throughout the City. This total is the net balance of new construction, demolished units, and alterations, though figures before

1990 do not include units lost or gained through alterations.

- **Publicly Assisted Units.** Over the course of the reporting period, public agencies assisted in the rehabilitation of over 5,000 units of affordable housing and 800 beds in transitional shelters and single room occupancy (SROs) residential hotels throughout the City. This figure represents units that remained part of the city's affordable housing stock as a result of publicly sponsored acquisition, preservation, or rehabilitation. These units are not counted as "new units" in the calculations of net housing growth, but they represent an important part of San Francisco's affordable housing resources.

Retention and rehabilitation of these affordable units were largely the result of programs managed by the Mayor's Office of Housing and the San Francisco Redevelopment Agency. Funding from these programs also assisted in the construction of over 4,500 units of new affordable housing over the ten-year period. Funds from these City agencies will continue to be an important feature in the City's overall housing program.

- **Major Planned Development.** Over the course of the past decade, the City has engaged in several major planning efforts involving public lands and programmed areas, each with a significant housing component. These planning projects are the product of long-term collaborative efforts involving numerous city agencies, including the Planning Department, the Mayor's Office of Business and Economic Development, the Redevelopment Agency, and the Mayor's Office of Housing. Residential units from some of these programs are just now becoming available, while other projects are yet to start production.

The introduction of significant amounts of housing into the planning and development of these areas has been a major feature of the City's housing program in recent years. The realization of the housing potential in these plans will represent a significant portion of San Francisco's new housing in the near future.

- *Mission Bay. The Redevelopment Plan and Design Guidelines* for Mission Bay – a large waterfront area south of San Francisco's downtown – were adopted in

1998. In addition to providing for necessary neighborhood services, community amenities, and a significant amount of office and commercial space, the Mission Bay Plan incorporates a major housing component that would allow up to 6,000 new residential units. Twenty-eight percent of these units will be made available to moderate, low, and very low income households (or about 1,700 units if the maximum development plan is realized).

Several development projects from the Mission Bay Plan are already under construction, representing over 1,000 residential units. Over 100 affordable units have been completed and are occupied.

- *Hunters Point Naval Shipyard.* This 500-acre former naval shipyard, sitting on a peninsula at the southeast corner of San Francisco, was closed as a military base in 1974. The *Hunters' Point Area Plan*, *Redevelopment Plan*, and *Design for Development* are the result of a comprehensive participatory planning process facilitated by numerous City agencies throughout the 1990s. The plans call for the introduction of 1,600 new residential units on the shipyard, in addition to significant amounts of new commercial space, cultural activities, and open space. Development of housing on the shipyard has been hindered by complex land transfer negotiations between the City and the U.S. Navy, and extensive on-site environmental hazards.
- *Treasure Island.* Located by the Bay Bridge in San Francisco Bay, Treasure Island closed as a military base in 1993. Under the management of the Treasure Island Development Authority, the City has built or rehabilitated approximately 870 units of housing on the island to date – 218 of which are designated as affordable family units. The *Treasure Island Development Plan* ultimately calls for the construction of 2,800 housing units. Thirty-three percent of these units will be made available on an affordable basis.

- *The Presidio of San Francisco.* Part of the Golden Gate National Recreation Area, the Presidio occupies almost 1,500 acres of land in the northwest corner of San Francisco. Closed in 1994 as a military base, the Presidio now falls under the management of the National Park Service and the Presidio Trust – a new federal authority created by Congress in 1996. The Presidio has always had a significant number of housing units on-site in the form of both officer housing and barracks (group quarters). The former base currently contains 1,600 housing units, most of which are leased by the Presidio Trust and presently occupied. The Trust’s long-range management plan calls for the removal of some non-historic units and the construction of new replacement housing, as well as the conversion of a small number of units. Through these changes, the Presidio will retain roughly the same total number of housing units. In July 2000, the City completed the renovation of 100 units of supportive housing geared towards homeless veterans.
- *Better Neighborhoods Program.* Managed by the Planning Department, the Better Neighborhoods Program seeks to improve the overall quality of life in three pilot neighborhoods by utilizing a strongly participatory planning process. The program looks to strengthen the link between land use and transportation planning, and maximize housing opportunities in transit rich areas. When completed, the plans will call for between 3,500 and 8,200 new residential units.

The plans hope to take full advantage of underutilized public parcels. The Market-Octavia Plan, for example, calls for housing on former state-owned right-of-way, while the Balboa Park Plan encourages housing in former reservoir land.

- **Secondary Unit Legislation.** Allowing an additional on-site unit in existing residential structures could be an effective and inexpensive way to realize greater housing potential. Two measures introduced in the mid-1990s sought to create additional housing opportunities through such a mechanism but were deemed politically infeasible at the time. The initiatives proved quite controversial in some neighborhoods, as they failed to clearly identify how existing “illegal” units would be addressed by the measures.

New secondary unit legislation has recently been introduced and is currently under environmental review. The initiative would allow a secondary unit in certain residential buildings within a quarter mile of transit and commercial services. The Planning Department is in the process of analyzing the housing potential that such a measure could produce.

- *Exemption of Residential Uses from Floor-to-Area Ratio (FAR) Limits in the Downtown Districts.* The City is analyzing a proposal to allow residential development in the C-3 districts (downtown office and commercial areas) that would not count against a building's floor-area-ratio calculations. Under this scheme, the amount of housing allowed on site would be determined by the defined building envelope, as regulated by the height and bulk restrictions. Although not officially submitted until 2000, this idea received much attention throughout the 1990s. A more thorough environmental review will provide an estimated housing potential that the proposal could generate.
- *Housing Construction on Commercial and Industrial Land.* The 1990 *Residence Element* contained policies that encouraged the development of infill housing in underutilized industrial and commercial areas of San Francisco. Indeed, much of the new housing development over the last 10 years occurred in the southeast portion of the city – where most of San Francisco's industrially zoned lands are located. From 1989-1998, over 4,300 units were completed in the Downtown and South of Market planning districts – almost 36% of all new housing construction during that period. Many of these units came in the form of live/work development or loft housing in the latter part of the 1990s. Over 1,300 live/work units were developed in the city between 1989-1998.

Locating housing in these industrial areas south of downtown, however, fueled major land use conflicts by the end of the decade. Many housing projects did not develop in coordination with neighborhood services or access to transit, hindering neighborhood vitality and viability. The rapid housing growth also threatened light industrial jobs and

businesses that the City deemed important to its local economy. Loft units, in particular, also posed serious problems of affordability and neighborhood compatibility.

In response to these land use conflicts, the City imposed interim zoning controls in 1999, restricting office and residential development from inappropriate locations in industrial areas. A subsequent moratorium on live/work development followed. The Planning Department is currently engaged in a comprehensive community planning effort to rezone the neighborhoods in the southeast portion of the City. The process seeks to identify the long-term needs for housing and jobs in these areas.

- *Jobs-Housing Linkage Program.* Originally adopted in 1985, the Office Affordable Housing Production Program generates funds for affordable housing projects through a set of fees placed upon large office developments in the City. Originally written as City policy, the program was added to the Planning Code in 1996. This provided the program greater application and enforcement. The program was expanded and renamed in 2001 to include new entertainment, hotel, office, research and development, and retail projects in excess of 25,000 square feet. The *Jobs-Housing Nexus Analysis*, sponsored by the City in 1997, helped establish the legal basis for the expansion of this program. Since its inception, the Jobs-Housing Linkage Program has raised almost \$40 million dollars for the Citywide Affordable Housing Fund, a resource managed by the Mayor's Office of Housing.
- *SRO Development Standards.* In 1994, the Planning Department released a concept study exploring the issues related to potential new SRO (single room occupancy residential hotel) construction in San Francisco. The City adopted a set of development standards for residential hotel construction the following year. The *SRO Design Guidelines* were drafted in consultation with project sponsors, other City agencies, and community representatives and focused on strategies to ensure neighborhood compatibility, affordability levels, and adequate life safety for SRO development. The *Guidelines* helped shape the development of the Yerba Buena Commons, a project of 257 new efficiency apartments that opened in 1997. All units in the residential hotel are affordable to households earning 31%-50% of the area median income (AMI).

Objective 2

To increase the supply of housing without overcrowding or adversely affecting the prevailing character of existing neighborhoods.

- *Residential Design Guidelines.* In 1989, the Planning Department proposed a set of design guidelines to help ensure that new residential development respects the unique character of many of San Francisco's neighborhoods. These guidelines were refined and adopted as part of the 1990 *Residence Element* and have been useful in helping new residential construction and alterations respond to neighborhood context.
- *Housing Development in Residential Neighborhoods.* Almost 4,000 units of housing were developed in San Francisco's existing neighborhoods between 1989-1998, representing one-third of all housing production in the City during that time period. This figure includes all new units constructed in the city's RH and RM districts (Residential House and Residential Mixed). The City has been able to locate this substantial amount of new housing in existing residential areas without significant adverse impacts to prevailing neighborhood character.
- *San Francisco General Plan.* In 1995, the City adopted the *South of Market* and *South Bayshore* (also known as Bayview Hunters Point) *Area Plans* as part of the *General Plan*. These plans discuss the location, importance, and character of existing residential neighborhoods in these parts of the City, and put forth policies to protect and enhance these residential areas.

Objective 3

To retain the existing supply of housing.

- *Residential Conversion and Demolition Guidelines.* Adopted in May 1995, the *Residential Conversion and Demolition Guidelines* establish criteria with which to evaluate proposals that seek to remove or convert dwelling units. The guidelines include a stated presumption in favor of retaining existing residential units throughout

the City. Although 1,600 units were demolished between 1989-1998, most were part of a larger replacement project. The net gain in the city's housing stock during that time period was almost 11,000 units.

- *Dwelling Unit Merger Policy.* In 1989, the Planning Commission adopted a policy that permitted the merger of two residential units, without the need for discretionary review, if the resultant dwelling unit was intended for owner occupancy. This policy was changed, however, in 2000 to require Planning Commission review of any proposal to merge dwelling units. The City subsequently established criteria to evaluate such proposals, and emphasized the importance of existing units to the city's housing stock. From 1990-1998, 326 dwelling units were lost due to a merger with another unit.
- *Condominium Conversion Ordinance.* Administered by the Department of Public Works' Condominium Subdivision Office, San Francisco's Condo Conversion Ordinance is now almost 20 years old. The legislation restricts the number of rental units that can be converted to ownership properties to 200 per year. Only buildings with six units or less are eligible to apply for conversion. These controls have been an important feature of the City's ability to retain its rental housing stock. San Francisco voters recently strongly defeated a ballot initiative that sought to greatly increase the number of rental conversions allowed per year.
- *SRO Retention Program.* The Residential Hotel Conversion Ordinance preserves the City's valuable supply of single room occupancy (SRO) residential units and restricts their conversion to commercial uses. Originally adopted in 1980, the program is administered by the Department of Building Inspection. Measures to strengthen the enforcement of the program were incorporated in 1990, significantly decreasing the annual loss of SRO units in the City. San Francisco lost approximately 700 SRO units during the reporting period due to fire, earthquake damage, or other types of conversion. A significant number of these units were converted to another type of

permanently affordable housing. The retention programs have successfully slowed the rate of SRO loss from the late 1970s, when the City lost almost 700 units per year.

Objective 4

To reduce the risk of bodily harm and loss of housing in an earthquake.

- *South of Market Recovery District.* In 1990, the City adopted a redevelopment plan for the South of Market Earthquake Recovery Project, which covers an area south of downtown significantly affected by the Loma Prieta Earthquake. The plan introduced a set of housing, economic development, and physical improvement programs aimed at enhancing the quality of life in SoMa. These programs have supported the development of 297 affordable family units and 390 SRO units since adoption of the plan. In addition to this new construction, the project has funded the rehabilitation of 284 residential hotel units, an important housing resource for extremely low-income households in the area.
- *Unreinforced Masonry Buildings.* There are currently 11,850 units in 399 unreinforced masonry buildings that require seismic upgrading. This number is down from 26,360 units and 770 buildings in 1989. A vast majority of these units are in residential hotels (SROs) and apartment buildings occupied by lower income households. The program to retrofit these structures is managed by the Department of Building Inspection.
- *Community Safety Element.* The *Community Safety Element* aims to reduce the future loss of life and property in the City due to natural or technological disasters. This Element was adopted in 1997 as a component of the city's *General Plan*. The document focuses on seismic hazards which pose the largest risks to the City of San Francisco. The Element provides background information on different types of natural hazards San Franciscans face and offers a set of current and future implementation programs to address these risks.

Objective 5

To maintain and improve the physical condition of housing while maintaining existing affordability levels.

- *Publicly Funded Rehabilitation.* As mentioned under Objective 1 above, the City has sponsored the rehabilitation of 5,025 units and 836 beds between 1989-1998. Funding from these programs, administered by the Mayor's Office of Housing and the Redevelopment Agency, enabled the units to be revitalized while retaining affordability.
- *Hope VI Program.* The federally established HOPE VI Program assists local Public Housing Authorities with the rehabilitation of distressed residential units and buildings. The San Francisco Housing Authority has received \$118.5 million to support the rehabilitation of five public housing developments, leveraging these grants into an additional \$166.8 million in private and public funding. The Housing Authority rehabilitated 650 units from 1998-2002 with these funds, and another 700 units are currently under revitalization.

2. AFFORDABILITY

Objective 6

To improve the citywide affordable housing delivery system.

- *Comprehensive Housing Affordability Strategy Committee (CHAS).* Since the adoption of the existing *Residence Element*, the City has convened an inter-agency working committee to coordinate on housing efforts. The Comprehensive Housing Affordability Strategy Committee (CHAS) consists of City agencies involved in housing funding, planning, or management, as well as members from the non-profit housing development and advocacy communities. The group meets monthly and is organized by several subcommittees that address specific issues such as supportive housing, public housing, and accessibility.

- *Local Land Trusts.* The City recently convened a Community Land Trust Task Force to explore the feasibility of using land trust structures to enhance affordable housing opportunities in San Francisco. Land trusts and other limited equity ownership models may be an effective way of retaining affordability in tight housing markets. The task force will make policy recommendations to the Board of Supervisors regarding the advantages of a citywide or community land trust, and possible financing mechanisms to support such a program.

Objective 7

To increase land and improve building resources for permanently affordable housing.

- *Inclusionary Housing Policy.* Responding to policy recommendations from the 1990 *Residence Element*, the Planning Commission adopted guidelines for implementing the City's Inclusionary Affordable Housing Policy in 1992. The policy placed a 10% inclusionary requirement on residential projects of 10 or more units that required a conditional use or planned unit development approval. Between 1992-2000, 128 affordable units in 22 housing developments were made available through this program. This represents a very small percentage of all units constructed during that time period. A more recent Planning Department study showed that projects subjected to the inclusionary requirement and approved by the Commission in 2001, could lead to the development of another 250 affordable units once completed.

Citing the relatively few number of affordable units generated by the inclusionary requirement, the Planning Commission and Board of Supervisors revisited the policy in 2001. In early 2002, the City adopted new policy guidelines that place a 10% requirement on all housing projects over 10 units, and a 12% requirement on developments over 10 units that seek conditional use approval.

- *Density Bonuses.* Since the adoption of the *Residence Element* in 1990, the City has introduced Planning Code amendments to establish seven special use districts (SUD) and height exceptions intended to support the development of affordable housing.

The primary feature of the new districts is to offer density bonuses, in the geographic boundaries defined, for projects that include a significant percentage of affordable housing in their unit mix. These new zones, with the year of their adoption, are described below:

- Service/Light Industrial District and Special Height District in the South of Market Residential/Service District (1990). The Service/Light Industrial District (SLI) allows affordable housing in an area where no other new housing is permitted, while the RSD height district allows height increases from 40' to 85' for certain uses, including affordable housing. At least four major projects of entirely affordable units have developed in this district since its inception.
- Geary Boulevard/Divisadero Street SUD (1992). The SUD allows for the expansion of critical health services, including the provision of residential units and outpatient facilities.
- Oakdale Avenue/Quint Street Affordable Housing SUD, the Third Street/Armstrong Avenue Affordable Housing SUD, and Special Height and Bulk District, 40-65-J (1996). These special use districts offer density bonuses of approximately 50% for the development of affordable housing, and the height exception increases the height limit from 40' to 65' for units of affordable housing.
- Scott Street Senior Housing SUD (1997). This district offers a set unit increase for the development of residential units intended for individuals and families over 55 years of age.

The City will explore expanding these affordable housing density bonus programs to include greater areas of San Francisco. In addition to the special districts mentioned above, the Planning Code currently offers a density bonus for projects with units designed specifically for seniors and those with physical disabilities. This bonus

doubles the allowable density for such units, above the existing zoning requirements, in all residential (R) and neighborhood commercial (NC) districts throughout the city.

- *Housing Development of Public Land.* As discussed under Objective 1 above, the City has engaged in several major planning efforts over the past ten years. These projects include the identification of housing opportunities on public lands. In particular, the City seeks to take advantage of new and rehabilitated housing on three former military properties in San Francisco – the Hunter’s Point Naval Shipyard, Presidio, and Treasure Island.

Through the Planning Department’s Better Neighborhoods Program, the City is pursuing the development of affordable housing on several significant public sites. The Market-Octavia Plan calls for the development of up to 900 units of housing on a former state-owned right-of-way, one-half of which could be affordable and senior units. The Balboa Park Plan recommends the construction of housing on portions of parcels owned by the Community College District, Municipal Railway, and the Public Utilities Commission.

Objective 8

To expand financial resources for permanently affordable housing.

- *Affordable Housing Bonds.* In 1996, San Francisco voters approved Proposition A, the Affordable Housing and Home Ownership Bond Program. The measure allocated \$100 million in bond money to affordable housing programs administered by the Mayor’s Office of Housing. The program dedicated 85 percent of these funds to the development of affordable rental housing, and 15 percent to downpayment assistance for first time homebuyers.

The Mayor’s Office of Housing began dispersing funds from this program to specific projects in 1998. A recent report from the Budget Analyst’s Office stated that the construction of over 1,300 units and 243 beds has been supported by Prop. A bond

money to date. A similar affordable housing bond, Proposition B, appeared on the San Francisco ballot in 2002. The measure proposed raising an additional \$250,000,000 in bond allocations for affordable housing programs, but failed to receive the required two-thirds vote.

Objective 9

To improve the focus of affordable housing programs.

- *Affordability Targets.* Since adoption of the 1990 *Residence Element*, the Mayor's Office of Housing and the San Francisco Redevelopment Agency have targeted their affordable housing programs to serve low and very low-income households to the maximum extent feasible. For most rental housing programs, household income may not exceed 60% of area median income. For homeownership programs, household income may not exceed 100% of the area median income, except for certain programs for which income limits are set by formulas of the Internal Revenue Code (mortgage credit certificates and mortgage revenue bond programs). The Affordable Housing and Home Ownership Bond Program approved by the voters in 1996 used these income limits for all programs.
- *Additional Revenue.* The San Francisco Redevelopment Agency and Mayor's Office of Housing have dedicated increasing resources to assisting households at income levels below the maximum income levels for each program. For example, notices of funding availability for family rental housing currently require that units targeted toward households with extremely low incomes (i.e., at or below 20% of area median income) be included in the development. Housing with supportive services typically constitute about a quarter of all projects funded, and these developments typically serve homeless and other special needs populations with incomes far below 60% of area median income.

- *Consolidated Plan.* The City's *Consolidated Plans* in 1995 and 2000 have set out

Priority 1: Renter Households at 0-50 % of Median Income		
Subpriorities:	1-H:	Homeless
	1-SH:	Persons needing supportive housing
	1-D:	Households at risk of displacement from multi-unit buildings (including prepayment at-risk, HOPE VI tenants, disaster victims, and private landlord actions under Ellis, OMI, etc.)
	1-O:	Other specific groups: persons needing accessible units, seniors, large families
Priority 2: Renter Households up to 60% of Median, Homeowners up to 80 % of Median		
Subpriorities:	II-F:	Other renter households below 50% of median (individuals and small families)
	II-S:	Renter households at 50-60% of median in projects with an average affordability below 60% of median
	II-R:	Existing homeowners below 80% of median with rehabilitation needs
Priority 3: Households up to 120 % of Median		
Subpriorities	III-FT:	First time homebuyers (preference for households below 80% of median.).

specific identification of the housing needs of San Francisco's low-income residents, based on demographic and other information from a variety of sources. The 2000 Consolidated Plan provides the following table of priorities of housing needs, which are used as the basis of allocating affordable housing funds:

- *Permanent Affordability.* Long-term or permanent affordability remains a priority for the programs of the Mayor's Office of Housing and San Francisco Redevelopment Agency. For almost all programs, affordability terms of 50 to 75 years are now standard. The term of affordability is greater than the anticipated life of the developments funded by public funds. Where project sponsors have sought additional money from the City to extend the useful life of the building, MOH and SFRA require an extension of the term of affordability. In addition, the lead role played by non-profit entities in sponsoring affordable housing has meant that, in practice, housing developments will remain affordable even after the expiration of the 50 to 75 year term, since such assets must continue to be used for purposes consistent with the corporate purpose of the organization.

Objective 10

To protect the existing affordability of housing.

- *Affordable Housing Monitoring Programs.* The Mayor's Office of Housing manages a number of programs to set and implement monitoring standards and procedures for projects receiving housing subsidies. Monitored subsidies include loans for owner-occupied single-family homes, multi-family rental units, and the refinancing of affordable housing projects. Through an annual recertification process, MOH staff review management practices, income and rent levels, and occupancy status at subject properties to ensure compliance with affordability requirements.
- *Acquisition and Preservation Programs.* The San Francisco Redevelopment Agency and the Mayor's Office of Housing administer funds for the protection of at-risk affordable units. Through these programs, the City retained 2,435 affordable units and 108 beds that were threatened by demolition or conversion to market rate housing from 1989-1998. Funds support the acquisition, rehabilitation, or refinancing of subject properties.

Objective 11

To achieve affordability through various forms of ownership.

- *First-time Homeowner Assistance Programs.* The Mayor's Office of Housing offers several funding programs to assist moderate and low-income households in purchasing their first property. These funds include the Downpayment Assistance Loan Program and Mortgage Credit Certificate Program that seek to increase a household's ability to qualify for a mortgage and assist with the funding of a downpayment.

3. CITYWIDE AND REGIONAL CONCERNS

Objective 12

To provide a quality living environment.

- *Residential Design Guidelines.* The Planning Department is currently updating its *Residential Design Guidelines*, a set of standards and policies established in the 1990 *Residence Element*. The Department is revising and expanding some sections of the document in response to more recent issues, such as the allowable width of garage doors in residential projects.
- *Better Neighborhoods Program.* This Planning Department program is also exploring ways to develop and enhance quality residential areas. The program identifies several core elements that help create vibrant neighborhoods, such as walkability, availability of services, access to transportation, housing choices, and unique character. The program incorporates these ideas into the development of community goals and neighborhood improvements.

Objective 13

To provide maximum housing choice.

- *Human Rights Commission.* The Fair Housing Unit of San Francisco's Human Rights Commission investigates and mediates complaints of discrimination in housing based on a person's race, religion, sexual orientation, and numerous other characteristics and qualities. Protection from such discrimination stems from several local ordinances, including five sections of the Municipal Police Code that prohibit specific kinds of housing discrimination. HRC staff also provides counseling on fair housing and general housing rights, offers referrals to other agencies, conducts research on fair housing practices, and hosts training and educational sessions.

- *Fair Housing.* The product of a multi-agency effort coordinated by the Mayor's Office of Housing, the City released the report *Analysis of Impediments to Fair Housing* in February 1998. The report discusses the challenges of affordability, accessible housing, and alleged discrimination in the City's housing market. The paper also offers recommendations on increasing community acceptance of affordable housing and the promotion of fair housing practices in public housing. These action items are incorporated into the City's *Consolidated Plan* and its associated *Action Plan*.
- *Density Bonus.* As discussed above, the Planning Code currently offers a density bonus for units specifically designed for physically disabled occupants. This bonus is available to all projects in residential (R) and neighborhood commercial districts (NCDs) throughout the City and offers a two-fold increase above existing allowable densities.
- *Inclusionary Affordable Housing Policy.* The city amended its inclusionary affordable housing policy in 1992 and again in 2001, as discussed in greater detail under Objective 7 above. The policy requires the provision of affordable units in development projects with 10 or more units and discourages the provision of off-site units to meet this requirement. Over time, this will lead to greater economic integration of units within housing developments.

Objective 14

To avoid or mitigate hardships imposed by displacement.

- *Rent Control and Tenants' Rights.* The San Francisco Human Rights Commission administers numerous programs to investigate and mediate conflicts around alleged housing discrimination. The City's Rent Stabilization Board Commission, comprised of tenant, landlord, and neutral representatives, oversees the Rent Stabilization Board, the City agency charged with monitoring and enforcing the city's rent control ordinance. The Rent Board offers counseling and referral services to tenants faced

with property management problems or the threat of eviction. The City's rent ordinance requires property owners to compensate tenants that are evicted due to a major capital improvement project or an owner move-in.

Objective 15

To deal with the root causes of homelessness, recognizing the solution is more than the provision of emergency shelter.

- *Continuum of Care Plan.* Recognizing the need for an integrated service system, the City adopted the *Continuum of Care Plan* in an effort to better coordinate housing, health, and human services for homeless individuals and families. The plan, adopted in 1995, was the result of the contributions of a multitude of public agencies, service providers, and advocates involved with homelessness. The report puts forth a set of five-year strategies for achieving the long-term goal of reducing homelessness in San Francisco. The document also proposes several major policy recommendations to help implement these strategies. This plan was updated again in 2001.

Appendix B

PUBLIC PARTICIPATION IN THE DEVELOPMENT OF THE HOUSING ELEMENT

State law requires that local jurisdictions “make a diligent effort to achieve public participation of all economic segments of the community” in the process of preparing the Housing Element (§65583(c)(6)(B)).

Housing availability, affordability and livability remain constant concerns for many San Franciscans. The *General Plan* is one of San Francisco’s important official documents that directly affects the City’s housing supply, neighborhood character, and quality of life. The objectives and policies contained within the *Housing Element* of the *General Plan* also seeks to addresses the City’s special housing needs – especially housing needs of the poor, the disabled, and the dispossessed. As such, solutions and programs put forth in the *Housing Element* require community support. Securing broad public backing involves participatory programs of education, public dialogue and input, and consensus building. The Planning Department’s efforts to engage public participation in the update of the *Housing Element*, despite its limited resources, went beyond the public hearings required before its adoption by the Planning Commission and approval by the City’s Board of Supervisors. This Appendix is an accounting of the various approaches taken to encourage and obtain community input in the development and update of the *Housing Element*. A listing of workshops and public hearings dates can be found at the end of this Appendix.

A. PREPARATION AND RELEASE OF

HOUSING ELEMENT PART I: DATA AND NEEDS ANALYSIS

The first draft of the *Housing Element*’s Part I: Data and Needs Analysis was released for public comment in June 2001. Prior to this initial release, however, community concerns about housing provision and affordability had already been incorporated into the draft. The housing needs

assessment highlighted in the draft was collected, analyzed and put forth in the 2000 *Consolidated Plan*, a compilation of San Francisco's various affordable housing and community development programs. Preparation of the *Consolidated Plan* included five community forums jointly sponsored by the Citizens' Committee on Community Development, the Mayor's Office of Community Development, and the Mayor's Office of Housing. These forums identified housing and community development needs for the five-year *Consolidated Plan* as well as collected citizen input to be used in setting program priorities. These forums were conducted over five consecutive Wednesdays in July and August 1999 in various community facilities and the Board of Supervisors chambers. A separate public hearing to assess the housing services needs of persons living with HIV/AIDS was convened by the Redevelopment Agency in October 1999.

Official release of the *Draft Part I* report was presented in two public hearings: one before the Planning Department Commission in late May 2001; the other before the Board of Supervisors in early June 2001. Copies of the *Draft Housing Element Part I* were mailed to housing advocacy groups, civic and neighborhood groups, and interested individuals, soliciting comments. Additional copies of the draft were also distributed from the Planning Department's Public Information Counter and reception desk. Reference copies of the draft report were made available at all branches of the San Francisco Public Library. An accompanying poster announced its availability and listed staff contacts for further information and comments. A web site featuring this completed section of the *Housing Element* was set up and included staff contact information.

Responses to the initial release of Part I were incorporated in the completed *Draft Housing Element* released in August 2002.

B. DEVELOPING PART II: OBJECTIVES, POLICIES AND IMPLEMENTATION PROGRAMS

Development of *Part II* of the *Housing Element: Objectives, Policies and the Implementation Programs* also involved much input from housing advocacy groups including the Comprehensive Affordable Housing Strategy Committee, the Council of Community Housing Organizations, San Francisco Planning and Urban Research Association, and the Coleman Advocates for Children. Various City agencies and departments with housing provision and support programs were consulted as well.

Majority of the updated Housing Element's new policies, however, emerged from the various community workshops and meetings conducted through two of five long-range planning initiatives that collectively fall under the Citywide Action Plan (CAP). A central goal in the CAP – the expansion of the City's housing supply – is repeated in the array of goals generated and endorsed in the community workshops arranged through the Better Neighborhoods Program and the Eastern Neighborhoods Community Planning Process described below. All public meeting announcements and key workshop materials were available in English, Spanish, Cantonese (in Visitacion Valley), and Tagalog (in South of Market) to ensure that information is accessible to all. Simultaneous translations of workshop proceedings were also provided in Spanish and Cantonese.

1. Better Neighborhoods Program

The Better Neighborhoods Program is a two-tiered effort that seeks to help make San Francisco's urban neighborhoods the best places they can be for current and future residents. On a citywide level, the program aims to strengthen neighborhoods by encouraging new housing at an urban scale in transit-rich areas with good neighborhood services. Locally, the program uses intensive community-based planning to incorporate recognition of citywide needs, including housing goals, into the planning process for each neighborhood. Three neighborhoods – Balboa Park, Central Waterfront, and Market and Octavia – were selected to serve as models for similar future programs in other parts of the City.

The program includes major public outreach and participatory components. Over the course of two years, the Planning Department has sponsored over 15 large community forums that established a strong set of goals and a framework for neighborhood improvements in each area. Additionally, Planning staff attended or hosted dozens of public discussions, neighborhood workshops, and smaller working meetings on planning issues, including housing, in the plan areas.

Housing policy has been a central issue in the Better Neighborhoods program, from the recognition of citywide housing needs to the drafting of specific housing objectives at the neighborhood level. Public workshops included discussions of specific implementation measures available to help realize the housing potential, both at major opportunity sites and through sensitive urban infill in ways that strengthen the neighborhood and make it more pleasant and attractive. The ideas and comments generated through these neighborhood planning efforts and public discussions have directly informed the drafting of citywide housing policy in the updated *Housing Element*. The community goals as they relate to housing are listed below:

- **Balboa Park**

- "Encourage New Mixed-Use In-Fill Development, Emphasizing Housing"*

- "Realize the Potential of the Balboa Reservoir"*

- **Central Waterfront**

- "Increase housing in the Central Waterfront without impinging on or creating conflicts with identified existing or planned areas of production, distribution, and repair activities."*

- **Market and Octavia**

- "Do not displace people – no homes should be lost."*

- "Encourage diverse and affordable housing."*

- "Value residences, shops and active uses over automobile parking."*

2. Eastern Neighborhoods Community Planning

The Planning Department is also presently engaged in community planning efforts in five neighborhoods of the eastern portion of San Francisco: South of Market, the Mission, Potrero-

Showplace Square, South Bayshore, and Visitacion Valley. This program emerged from the Department's review of the City's outdated industrial zoning and expanded to become a community-participatory process that has engaged those who will be most affected by proposed re-zoning. Goals of the program include support for the development of new housing where transit and appropriate services exist, the retention of space needed for viable industrial business and their jobs and services, and improvements in the quality of life in these neighborhoods. These predominantly industrial and mixed use neighborhoods of San Francisco includes much of the City's existing affordable housing as well as sites which may be appropriate for new housing, both market-rate and affordable.

The rezoning effort has included numerous, well-publicized and well-attended public workshops in each of the subject neighborhoods. Residents of affordable housing and housing developers have actively participated in all aspects of this planning effort. Housing – especially affordable housing retention and production – was also a primary topic of concern and discussion throughout these public dialogues, as the housing-related community goals below attest.

- **South of Market:**

“Increase affordable housing opportunities. Increase the amount of affordable housing throughout South of Market and improve existing affordable housing, especially single room occupancy hotels (SROs).”

- **Mission:**

“Increase the amount of well-designed affordable housing serving all populations.”

- **Potrero-Showplace Square:**

“Develop a mix of high density housing types and affordability in the Showplace Square area.”

“Maximize development opportunities for quality housing.”

“Support transit and mode choice by encouraging housing development along transit corridors.”

“Mix higher density housing with design center, production-distribution-repair land uses.”

- **South Bayshore:**

"Affordable housing of varying density in the Town Center and along Third Street."

"A new node of housing, retail, and amenities around health center, and office space to the northeast of the park/health facilities."

"Housing and open space near Yosemite Slough and housing near Bayview Hill."

- **Visitation Valley:**

"Build affordable housing. Increase the local supply of well designed affordable housing for low income and working individuals, families and seniors, and make the amount of new housing proportional to retail and city services."

"Ensure a mix of uses: Incorporate a mix of uses, different types of housing above retail, community facilities, city services and open space."

C. HOUSING ELEMENT UPDATE PRESENTATIONS AND DISCUSSIONS

Following release of *Part I* of the *Housing Element*, the Planning Department also responded to requests from various organizations – including housing developers and architects, advocacy groups, and neighborhood associations – to present and discuss its work around the *Housing Element* update. These meetings included:

- Neighborhood meetings:
 - Supervisory District 1 Town Hall Meeting, June 2001
 - (SPEAK), Sunset Parkside, May 2001
- San Francisco Planning and Urban Research (SPUR) – several presentations at the lunchtime "Forum" series. Several working sessions with the SPUR Housing Committee were conducted in the drafting and revision of the *Housing Element*.
- On-going policy discussions with housing and other community advocates including the Council of Community Housing Organizations (CCHO), San Francisco Tomorrow, and the Coleman Advocates for Children and Youth.
- Discussion and working sessions with other stakeholders

San Francisco Housing Action Coalition – a group of business, community and environmental leaders concerned about constraints to housing production in San Francisco;

American Institute of Architects (AIA) – architects active in designing affordable housing in San Francisco.

D. FORMAL AGENCY PRESENTATIONS

The agendas for all public hearings are well-publicized and include an open public comment period. Members of the public are also invited to submit written comments to the Planning Department at the sessions.

- ***City Planning Commission***

Hearings on inclusionary housing policy, October 2001 and January 2002

Hearing on the *Part I: Data and Needs Analysis* section of the *Housing Element*, May 2001

Hearing on the *Draft Housing Element*, December 2002

- ***Board of Supervisors - Housing, Transportation, and Land Use Committee***

Presentation and public hearing on *Part I: Data and Needs Analysis* section of the *Housing Element* and on the overall process of the update, July 2001

Presentation and public hearing on the *Draft Housing Element*, January 2003

KEY COMMUNITY MEETINGS AND WORKSHOP DATES:

BETTER NEIGHBORHOODS

Balboa Park:

"Imagining a Better Neighborhood: What Makes a Great Neighborhood," May 4, 2000
"Imagining a Better Neighborhood: What We Heard and Learned," August 24, 2000
Progress Report, January 17, 2001
Focus Groups Working Sessions: March 31, April 18, April 28, 2001
Concept Plan Proposals Workshops, September 5, 8, 19, 2001

Central Waterfront:

"Imagining a Better Neighborhood: What Makes a Great Neighborhood," May 3, 2000
"Imagining a Better Neighborhood: What We Heard and Learned," August 24, 2000
"Opportunities and Possibilities," February 1, 2001

Market and Octavia:

"Imagining a Better Neighborhood: What Makes a Great Neighborhood," May 3, 2000
"Imagining a Better Neighborhood: What We Heard and Learned," August 24, 2000
"Opportunities and Possibilities," February 1, 2001

EASTERN NEIGHBORHOODS

South of Market

Introduction to the Community Planning Process, February 2, 2002
Community Input and Goals, April 4, 2002
Update on the Community Planning Process, May 21, 2002
Drafting Rezoning Alternatives, September 25, 2002
Rezoning Alternatives Discussion, November 19, 2002

Mission

Introduction to the Community Planning Process, February 12, 2002
Community Input and Goals, April 27, 2002
Refining Community Goals, June 19, 2002
Drafting Rezoning Alternatives, September 17, 2002

Potrero-Showplace Square

Introduction to the Community Planning Process, February 2, 2002
Community Input and Goals, March 2, 2002

May 5, 2002
June 12, 2002
August 21, 2002

South Bayshore

Introduction to the Community Planning Process and
Setting Community Goals, March 13 and May 16, 2002
Drafting Rezoning Alternatives, September 10, 2002
Rezoning Sessions with the South Bayshore Redevelopment Project Area Committee,
October 17, October 30, and December 12, 2002
Drafting Rezoning Alternatives, September 19, 2002

Visitation Valley

Kick-off Meeting and Setting Community Goals, February 28, 2002
Storefront Studio, February 29 to March 6, 2002
Site Plan Alternatives Evaluation, March 2, 2002
Review Preferred Site Plan and Next Steps, March 6, 2002
Concept Plan Report and Next Steps, October 1, 2002

Appendix C

PRELIMINARY WORK PROGRAM FOR IMPLEMENTING THE HOUSING ELEMENT

Objective & Policy Implemented	Implementation Action	Resources Needed		Target Dates
		Staff	Other Resources	
Housing Element	Complete and hold hearings on Housing Element	0.5 FTE		June 2003
Policies 1.1, 1.2, 1.3, 1.6, 1.8, 11.1, 11.2, 11.6, 11.8, 11.9	Complete and hold hearings on new <i>Land Use Element</i> , which for the first time would establish the policy basis for the Citywide Action Plan (CAP) in one element of the <i>General Plan</i> .	2.0 FTE	\$50,000	December 2004
Policies 11.5, 11.8	Complete public information exchange, draft and hold hearings on amendments to the <i>Urban Design Element</i> to establish the policy basis for the CAP.	2.0 FTE	\$100,000	December 2004
Policies 10.4, 11.2	Update <i>Community Facilities Element</i> for form the policy basis for the CAP.	To be determined		
Policies 1.1, 1.2, 1.3, 1.4, 1.6, 1.7, 2.4, 4.1, 4.4, 5.1	Complete Eastern Neighborhoods planning process and draft permanent zoning controls	5.0 FTE		
	Visitation Valley			September 2002
	South of Market, Showplace Square/Potrero Hill, Mission, South Bayshore. Complete Environmental Impact Report (EIR).		\$500,000	December 2004
Policies 11.1, 11.2, 11.3, 11.7, 11.8	New Downtown Neighborhoods and Transit Corridor Plans			
	Adopt permanent zoning controls for Rincon Hill, Ball Park Special Use District	0.5 FTE	S.F. Redevelopment Agency	December 2004
	General Plan amendments and adopt permanent zoning controls for Transbay Terminal and Mid-Market Redevelopment Areas	0.5 FTE	S.F. Redevelopment Agency	December 2004
	Draft and hold hearings for permanent controls in other downtown neighborhoods and other transit-served corridors	4.0 FTE	\$350,000	December 2006
Policies 11.1, 11.2, 11.3, 11.7, 11.8	Better Neighborhoods Programs			
	Complete EIR, draft zoning amendments and continue program implementation of Market and Octavia	1.5 FTE		June 2004
	Preliminary zoning schemes for Central Waterfront and Balboa Park Specific Plans	0.5 FTE	\$800,000	To be determined
	Begin Geary Boulevard Better Neighborhood program	3.0 FTE	\$600,000	To be determined
	Complete planning studies requested by the Board of Supervisors; analyze and process Board-sponsored Code amendments	1.5 FTE	\$50,000	On-going Program
Policy 2.6	Study various means for encouraging legalization of housing in appropriate areas and for keeping units affordable		To be determined	
Policy 1.4	Approval of new in-fill housing construction	On-going Program		

Policy 1.5	Maintainance of inventory of surplus public lands; prioritization of affordable housing development on surplus public lands	Mayor's Office on Housing; S.F. Redevelopment Agency; Real Estate Department	On-going Programs
Policy 1.9, Objective 7	Support and periodically reassess fee level of Jobs-Housing Linkage Program	City Planning and Mayor's Office of Housing	On-going Program
Policy 2.1	Evaluate expanding definition of demolition to prevent loss of housing classified as "remodels"	City Planning, Department of Building Inspection	On-going Programs
Policy 2.2	Require discretionary review for all dwelling unit merger applications	City Planning, Rent Stabilization Board	On-going Programs
Policy 2.3	Evaluate sales price limitations on conversion of affordable units	City Planning, Rent Stabilization Board	On-going Programs
Policies 2.5, 4.3	Regulate and protect SROs Facilitate transfer of SROs to effective non-profit housing organizations	S.F. Redevelopment Agency, Mayor's Office of Housing, Department of Building Inspection	On-going Programs
Policy 3.1	Enforce building code standards Provide low interest and deferred payment rehabilitation loans	City Planning, Department of Building Inspection, Department of Public Health	On-going Programs
Policy 3.2	Acquire and rehabilitate expiring Section 8 multi-family and senior housing	S.F. Redevelopment Agency	On-going Programs
Policy 3.3	Administer Hope VI grants Modernization and capital improvements on existing publicly assisted housing	S.F. Redevelopment Agency, S.F. Housing Authority	On-going Programs
Policy 3.4	Support the Code Enforcement Rehabilitation Fund Continued code enforcement	City Planning, Department of Building Inspection	On-going Programs
Policy 3.5	Mandate and fund seismic rehabilitation	Department of Building Inspection	On-going Program
Policy 3.6	Adopt Preservation Element of General Plan Document resources through Citywide Cultural Resources Survey	To be determined	
Policy 4.1	Pursue development opportunities in underused public lands	S.F. Redevelopment Agency Mayor's Office of Housing	On-going Programs
Policies 4.2, 8.4	Enforce and monitor the Inclusionary Affordable Housing Program	City Planning, Mayor's Office of Housing	On-going Programs
Policy 4.6	Investigate and promote industrial housing production techniques	To be determined	
Policy 5.1	Develop a process to consolidate hearings and avoid duplication of discretionary hearings and appeals.	On-Going Program	
Policy 5.2	Fund and provide technical support to non-profit housing corporations	S.F. Redevelopment Agency Mayor's Office of Housing	On-going Programs
Policy 5.3	Coordinate and support community outreach efforts	S.F. Redevelopment Agency Mayor's Office of Housing	On-going Programs
Policy 5.4	Draft and distribute the Consolidated Plan	Mayor's Office of Housing	On-going Program

Objective 6 Objective 7	Keep affordable housing affordable Work with Mayor's Office on Housing to establish a fee system to pay for monitoring system	S.F. Redevelopment Agency Mayor's Office of Housing	On-going Programs
Policy 8.1	Support development and conservation of affordable rental housing	S.F. Redevelopment Agency Mayor's Office of Housing	On-going Programs
Policy 8.2	Periodically review affordability standards for accuracy	Mayor's Office of Housing	On-going Program
Policies 8.3, 8.5, 8.7, 8.8	Support and monitor Fair Housing Access laws	Human Rights Commission	On-going Program
Policy 8.6	Support development of specialized, supportive housing types	Mayor's Office of Housing; S.F. Redevelopment Agency	On-going Programs
Policy 8.7	Enforce standards of adaptability and accessibility	Department of Building Inspection, Mayor's Office of Housing, Human Rights Commission	On-going Programs
Policy 8.9	Administer affordable homeownership programs, first-time homebuyer programs	Mayor's Office of Housing, S.F. Redevelopment Agency	On-going Programs
Policy 8.10	Consider expanding as-of-right group housing in Planning Code definitions of "Other Housing" in neighborhood commercial districts	To be determined	
Objective 9	Require one-to-one replacement of affordable housing and provide relocation services	S.F. Redevelopment Agency, Mayor's Office of Housing	On-going Programs
Policies 10.1, 10.2	Prioritize development of affordable housing with supportive services Eviction prevention, rental assistance, and job training programs	Mayor's Office of Housing, S.F. Redevelopment Agency, Dep't of Human Service, Dep't of Public Health	On-going Programs
Policy 10.3	Implement Homeless Management Information System	Mayor's Office on Homelessness, Department of Human Service	On-going Programs
Policy 10.4	Implement California Work Opportunity and Responsibility to Kids (CalWORKS)	Department of Human Services	On-going Program
Policy 11.4	Require Institutional Master Plans	On-going Program	
Policy 11.10	Enforce energy code requirements Continue environmental education programs Provide funding for energy-efficiency improvements in preserving non-profit affordable rental housing	Department of Building Inspection, Mayor's Office of Housing	On-going Programs
Objective 12	Work with Association of Bay Area Governments, Metropolitan Transportation Commission and state Housing and Community Development Department	City Planning, Mayor's Office of Housing	On-going Programs

Appendix D

ASSUMPTIONS AND DEVELOPMENT STANDARDS: BUILD-OUT ANALYSIS, BY ZONING TYPE

Zoning Category	Acres	Primary Use	Secondary Use	Primary Use Buildout	Secondary Use Buildout	Height Limit Adjustment	Net Units
C-2	10.03	Commercial	None	Multiply lot area by FAR to arrive at commercial, as well as total square footage.	n/a	If commercial square footage exceeds height limit in stories, make commercial, as well as total square footage equal lot area multiplied by height limit in stories.	
Downtown	46.82	Commercial	Residential	Multiply lot area by FAR to arrive at commercial square footage.	Subtract commercial square footage from the total possible square footage (lot area multiplied by height limit in stories). Divide 70% of the difference by average unit size to arrive at number of units.	If commercial square footage exceeds height limit in stories, make commercial, as well as total square footage equal lot area multiplied by height limit in stories. No residential would be built.	5,948
Industrial	60.65	Split between commercial and loft-style unit based on a set ratio.	n/a	Multiply the commercial share of the lot by FAR to arrive at commercial square footage. Divide the product of the loft-style unit share, number of buildable stories and .75 by the average size of a loft-style unit; this yields the number of loft-style units. Multiply this number by the average unit size to arrive at residential square footage.		If commercial square footage exceeds height limit in stories, make commercial square footage equal lot area multiplied by commercial share by height limit in stories. The amount of loft-style development is already based on height limit.	2,264
Multi-unit	73.60	Residential	None	For RM-4 sites, divide 75% of the lot area by the residential density limit to arrive at number of units. For remaining RM sites, divide 60% of the lot by the density limit. Any fractional value is truncated. Multiply the number of calculated units by average unit size to arrive at residential, and total, square footage.	n/a	Reduce the number of units so that total square footage does not exceed height limit in stories.	3,541

Zoning Category	Acres	Primary Use	Secondary Use	Primary Use Buildout	Secondary Use Buildout	Height Limit Adjustment	Net Units
Residential	271.22	Residential	None	Parse the number from the RH zoning classification as the number buildable units. Multiply by the average unit size to arrive at residential, and total, square footage.	n/a	Reduce the number of units so that total square footage does not exceed height limit in stories.	4,147
South of Market (SoMa)	14.97	For all but RSD, split between commercial and loft-style development based on a set ratio. Apply 3-1, residential-commercial ratio to RSD-zoned lots.	None	Multiply the commercial share of the lot by FAR to arrive at commercial square footage. The FAR varied for SSO lots depending on height limit. Divide the product of the loft-style unit share, number of buildable stories and .75 by the average size of a loft-style unit; this yields the number of loft-style units. Multiply this number by the average unit size to arrive at residential square footage. For RSD lots, set commercial square footage equal to the lot area, residential space equal to 3 times the lot area, with the number of units equal to the residential square footage divided by the average unit size.		For all but RSD lots, if commercial square footage exceeds height limit in stories, make commercial square footage equal lot area multiplied by commercial share by height limit in stories. The amount of loft-style development is already based on height limit. For RSD lots, if the sum of commercial and residential square footage exceeds height limit in stories, reduce residential units.	861
Mixed	105.22	Commercial	Residential	Multiply lot area by FAR to arrive at commercial square footage.	Divide lot area by residential density limit to arrive at number of units. Any fractional value is truncated. Multiply by the average unit size to arrive at residential square footage.	Sum commercial and residential square footage to arrive at total square footage. If this sum exceeds buildable square footage based on height limit, reduce residential units until it does.	6,429
Totals	582.51						23,190
Mission Bay	66.33	(Estimate from Mission Bay Redevelopment Area Plans)					6,000
TOTALS	648.84						29,190

Assumptions

- 1) Average size of a new residential or loft-style residential unit = 1,200 sq.ft.
- 2) For calculating number of buildable stories based on height limit:
 Story Height = 10 feet
 Story Height for Loft-Style Residential Unit = 15 feet
 Height limit for Loft-Style Residential development = Base Height Limit + 5 feet
- 3) For any lot area where loft-style residential development is projected, build "the box" on only 75% of the area



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